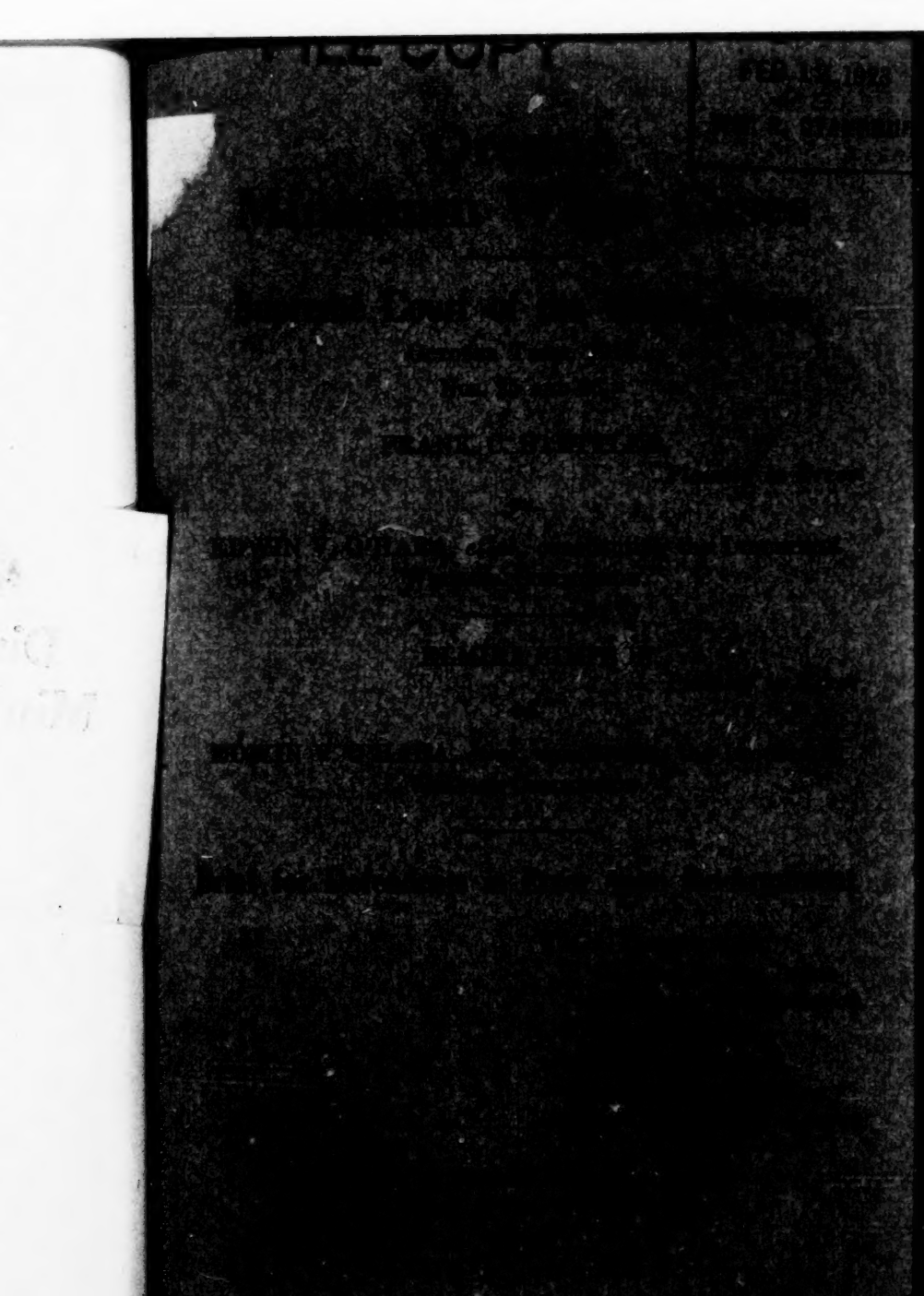

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INTRODUCTORY NOTE.

For the first argument of this case in December, 1914, Part Second of this brief was prepared under the direction of Mr. Louis D. Brandeis before his nomination by President Wilson as associate justice of the Supreme Court of the United States.

For re-argument, it has been amplified and brought down to date, all publications since 1914 being placed first, under each separate head.

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM, 1916.

NOS. 25 AND 26.

FRANK C. STETTLER,
Plaintiff in Error,

vs.

EDWIN V. O'HARA, *et al.*, constituting the Industrial Welfare Commission.

ELMIRA SIMPSON,
Plaintiff in Error,

vs.

EDWIN V. O'HARA, *et al.*, constituting the Industrial Welfare Commission.

BRIEF FOR DEFENDANTS IN ERROR UPON RE-ARGUMENT.

ARGUMENT.

Statement of Cases.

These are writs of error to review the decrees of the Supreme Court of Oregon, affirming the decrees of one of the Circuit Courts of Oregon, dismissing suits by Frank C. Stettler and Elmira Simpson, respectively, (hereinafter called plaintiffs), to vacate an order of the

Industrial Welfare Commission of Oregon and enjoin its enforcement. This order provided that no manufacturing establishment in the City of Portland shall employ "any experienced, adult woman worker, paid by time rates of payment, in said establishment at a weekly wage of less than $8.64, any lesser amount being hereby declared inadequate to supply the necessary cost of living to such woman factory workers, and to maintain them in health."

Facts.

The facts, briefly, are these:

Oregon on February 17, 1913, provided, among other things, that

> "Whereas, the welfare of the State of Oregon requires that women and minors should be protected from conditions of labor which have a pernicious effect on their health and morals, and inadequate wages and unduly long hours and unsanitary conditions of labor have such a pernicious effect, therefore
>
> Sec. 1.—It shall be unlawful to employ women in any occupation within the State of Oregon . . . for wages which are inadequate to supply the necessary cost of living and to maintain them in health. . . .
>
> Sec. 10.—For any occupation in which only a minimum time wage rate has been established, said commission [the Industrial Welfare Commission] may issue to a woman physically defective or crippled by age or otherwise, a special license authorizing her employment at such wage less than said minimum time rate wage as shall be fixed by said commission and stated in said license." (Chap. 62, Laws of Oregon, 1913, pp. 92, 97.)

The Act provides as the machinery for determining the adequacy of wages prevailing at different times and in different localities and trades, and for enforcing the above prohibition, an "Industrial Welfare Commission," of which the defendants are the first appointees. That Commission, pursuant to Sec. 8 of the Act, appointed a conference on wages, hours and conditions of work in manufacturing establishments in Portland, the nine conferees consisting in equal numbers of representatives of the manufacturers and of the employees affected, and of the general public. Pursuant to a unanimous report of this conference (Stettler, R., 6-7; Simpson, R., 7-8) the Industrial Welfare Commission entered the following order:

> "No person, firm, corporation or association owning or operating any manufacturing establishment in the City of Portland, Oregon, shall employ any woman in said establishment for more than nine hours a day or fifty-four hours a week; or fix, allow or permit for any woman employee in said establishment, a noon lunch period of less than forty-five minutes in length; or employ any experienced adult woman worker, paid by time rates of payment, in said establishment at a weekly wage of less than $8.64, any lesser amount being hereby declared inadequate to supply the necessary cost of living to such women factory workers, and to maintain them in health" (Stettler, R., 7-8; Simpson, R., 8).

The plaintiff, Stettler, is a paper box manufacturer in Portland. (Stettler, R., fol. 12.)

The plaintiff, Simpson, is in his employ at a weekly wage of $8.00. (Simpson, R., fol. 15.)

The plaintiffs made no claim that Simpson was not an "experienced, adult woman worker" within the facts

as found by the Industrial Welfare Comimssion, and neither plaintiff invoked the provisions of Sec. 10 of the Act for a special license authorizing employment at less than the minimum time rate wage of $8.64 fixed by the Commission. Nor did either plaintiff seek to review the findings of the Commission as wholly unfounded in fact and therefore without basis in law, which right of review is provided by Sec. 16 of the Act. On the contrary, without challenging the correctness of the facts found by the Commission or attempting to avail themselves of the provision for relief from such finding by license, the plaintiffs brought separate suits to enjoin the enforcement of the order of the Commission (Stettler, R., 5; Simpson, R., 5). The complaints were denied upon demurrers, and decrees dismissing the suits were affirmed by the Supreme Court of Oregon (Stettler, R., 25-26; Simpson, R., 15-16).

The opinions of the Supreme Court of Oregon are now reported in *Stettler* v. *O'Hara,* 69 Or., 519 (Stettler, R., 14 *et seq.*), and *Simpson* v. *O'Hara,* 70 Or., 261 (Simpson, R., 14). The Oregon Supreme Court sustained the constitutionality of the Act against attacks based both upon the Oregon and the United States Constitutions.

As to the validity of the Act under the Oregon Constitution the decisions of the Oregon Supreme Court put an end to the matter.

The cases are now here on objections based upon the Fourteenth Amendment.

Outline of Plaintiffs' Claims.*

The plaintiffs make a threefold attack upon the substantive provisions of the Act and the machinery for its enforcement.

Oregon, it is claimed, was prohibited from enacting this legislation by

the equal protection clause;
the privileges and immunities clause;
the due process clause.

(1) The equal protection clause may be dismissed summarily, at the outset of this brief, because it will be covered by the brief of the Attorney-General of Oregon. Suffice it to say here that the case presents a simple application of the doctrine of appropriate classification now rendered commonplace by a long series of decisions (*Quong Wing* v. *Kirkendall*, 223 U. S., 59; *Jeffrey* v. *Blagg*, 235 U. S., 571; *Hadacheck* v. *Los Angeles*, 239 U. S., 394; *Rast* v. *Van Deman*, 240 U. S., 342, 357; *Armour & Co.* v. *North Dakota*, 240 U. S., 510, 517). In this instance there is a patent appropriateness in classifying the City of Portland differently from the rural communities in Oregon as to the cost of living and the different wage basis to maintain such living.

(2) Similarly, the privileges and immunities clause is not separately discussed here because it involves no considerations separate from those raised by the due process clause. (Cf. opinion in *Simpson* case, Simpson, R., 14.)

*The Constitutional objection set up by the two plaintiffs are substantially identical and call for substantially the same discussion. Where differences exist they will be noted where they occur.

In fact the clause is wholly irrelevant to the present case. Stettler and Simpson are here not asserting any rights peculiar to citizens of the United States as distinguished from citizens of Oregon, or, for that matter, from non-citizens of Oregon.

(3) The due process clause may likewise summarily be disposed of in so far as it is invoked on the ground

a. That the Act denies plaintiffs the right to have the reasonableness of the order judicially reviewed because there is in fact opportunity for judicial review similar to that which this court has held adequate as to public utilities commissions and other administrative bodies. (Sec. 16 of the Act.) *Pacific Live Stock Co.* v. *Oregon Water Board,* 241 U. S., 440, is the last of a series of cases which disposes of this objection.

b. That the Act confers legislative power upon the Commission and the conference. This contention is not open for discussion before this court. The extent of delegating such power upon administrative boards is for Oregon to determine and not controlled by the Fourteenth Amendment. (*Welch* v. *Swasey,* 214 U. S., 91, 104; *Soliah* v. *Heskin,* 222 U. S., 522; *Western Union* v. *Richmond,* 224 U. S., 160, 167.) On its merits, it is no more "delegation" than has been repeatedly sanctioned by this Court (*e. g., Mutual Film Corporation* v. *Ohio Industrial Commission,* 236 U. S., 230, 245, 246).

The plaintiffs' contentions, therefore, reduce themselves to a claim under the due process clause in its central feature, namely, have they been deprived of liberty or property without due process of law?

The decision in this case will, in effect, determine the constitutionality of all the statutes in force in the United States relating to a minimum wage for women, namely, the laws of Arkansas, California, Colorado, Kansas, Massachusetts, Minnesota, Nebraska, Oregon, Utah, Washington, Wisconsin, and will likewise prevent the trial of this legislation which has been awaiting, all over the United States, the fate of the Oregon Act.

Marshall's Canon.

We believe this case reduces itself, simply enough, to an application of Marshall's canon of constitutional construction to the complicated and extensive facts of modern industrial life and, more particularly, to those in Oregon.

> "Let the end be legitimate, let it be within the scope of the constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the constitution, are constitutional" (*M'Culloch* v. *Maryland,* 4 Wheat., 316, 421).

The Issue.

There is a specific state of facts, depending upon a specific scheme of legislation, before this Court in this case and not a general or vague theory of wage fixing by legislation. Throughout, our discussion will be focussed on this specific controversy. We believe the following accurately formulates the precise issue:

> *An Act having been adopted by the State of Oregon, "dictated by the welfare of the State" to "protect women and minors" "from conditions of labor which have a pernicious effect upon their health*

and morals" and from "inadequate wages," and which seeks these objects by forbidding the employment, in any occupation, of adult experienced women workers at wages "inadequate to supply the necessary cost of living to women workers and maintain them in health," and such minimum wage for manufacturing establishments in the City of Portland having been ascertained and fixed by the Commission to be $8.64 per week and this amount, $8.64, conceded to be not in excess of said living necessities, and having been so fixed in accordance with the findings of a conference for the particular industry, in which both the employers and employees were represented and had full opportunity for hearing; and the said Act having a provision (Sec. 10) *that even the minimum requirements should not be required where the Commission should "issue to a woman physically defective or crippled by age or otherwise" a special license authorizing her employment at such a wage less than said minimum time rate wage as shall be fixed by said commission and stated in said license; and said Act having a provision* (Sec. 16) *that "there shall be a right of appeal from said commission to the Circuit Court of the State of Oregon for Multnomah County from any ruling or holding on a question of law included in or embodied in any decision or order of said commission, and, on the same question of law from said Circuit Court to the Supreme Court of the State of Oregon"; and the plaintiff, Stettler, having continued to employ in his paper box factory in Portland, adult experienced women workers, not shown or alleged to be "physically defective or crippled by age or otherwise" at wages less than the said minimum of $8.64 per week, without having applied for or been denied such special license from the Commission; and the plaintiff, Simpson, having continued to accept from the said employer, Stettler, wages less than the said minimum, without having applied for or been denied such special license, and without now alleging or showing that she is "physically defective or crippled by age or otherwise"; are they or either of them entitled*

to a reversal of the decrees of the Supreme Court of Oregon dismissing their complaints to enjoin the enforcement of the order of the Commission and refusing to declare the legislative Act arbitrary, wanton or spoliative, and therefore not in excess of the legislative power of the State, as limited by the Due Process Clause?

Outline of Argument.

We shall contend:

I.—Oregon by this legislation aimed at "ends" that are "legitimate and within the scope of the Constitution."

II.—The "means" selected by Oregon are "appropriate and plainly adapted" to accomplish these ends.

III.—No right of the plaintiffs secured under the Constitution of the United States "prohibits" the use of these appropriate means so adopted by the State of Oregon to accomplish these legitimate public ends.

POINT I.

"The end is legitimate and within the scope of the Constitution."

The first point in Marshall's canon is that the end sought by legislation must be "legitimate and within the scope of the Constitution." That this primary requirement is met in this case cannot be, and practically is not denied, but we proceed briefly to explain the purposes sought by the Oregon legislature.

First.—Charged with the responsibility of safeguarding the State's welfare, the Oregon legislature was confronted with the outstanding fact that the "welfare of the State of Oregon required that women and minors should be protected from conditions of labor which have a pernicious effect on their health and morals, and inadequate wages and unduly long hours, and unsanitary conditions of labor have such a pernicious effect."

This statement of the preamble of the Act is based upon indisputable facts. In summary of the overwhelming array of details which are contained in Part Two of this brief, it is only necessary to say here that the minimum cost in Oregon, corroborated by many other authoritative findings from all over the United States, for the rudimentary needs of the body, in the year 1912, as disclosed by investigation preceding this legislation, were:

BUDGET No. 1.

Minimum Possible Living Budget of Women Workers in the City of Portland.

OREGON.

	Per Year.	Per Week
Room and Board	$300	$5.77
Clothing	130	2.50
Laundry Bills	25	.48
Carfare	30	.58
Doctor's Bills	15	.29
Total	$500	$9.62

BUDGET No. 2.

Minimum Possible Living Budget of Women Workers Outside of Portland, (Information Obtained from Ashland, Baker, Eugene, Forest Grove, LaGrande, Medford, Oregon City, Pendleton, Salem and Vale.)

	Per Year.	Per Week
Room and Board	$278.62	$5.36
Clothing	137.50	2.64
Laundry	16.00	.31
Carfare	21.00	.40
Doctor and Dentist	18.00	.35
Total	$471.12	$9.06

These budgets appear at p. 366 of Part Two of this brief.

This being the bare living cost for women factory workers in Oregon it was before the legislature that 48.1 per cent. of the factory workers in Portland were paid less than $8.00 per week (Part Two, p. 383) and 60.1 per cent. were paid less than $9.00 per week (Part Two, p. 383).

These cases come up from Portland and therefore involve the conditions which requires budget No. 1.

On this basis it appears that the Oregon Legislature was obliged to consider ways and means for meeting the following deficit.

DEFICIT.

Minimum weekly amount necessary to keep a normal experienced woman factory worker (not "physically defective, or crippled by age, or otherwise") alive and in working order, in Portland, is, per week	$9.62
The prevailing weekly amount which employers were paying such women for such working energy averaged less than	8.00
Deficit between cost of living and weekly wage	$1.62

Alarming public evils were found to have resulted, and threatened in increasing measure, from the widespread existence of this deficit. The public health of large sections of the present generation was suffering from undernourishment, bad housing conditions, and insufficient medical care. The coming generation was similarly threatened. Standards of morals were being lowered. All that we call civilized life drifted gradually towards degradation. The economic efficiency of industry and its productiveness were wastefully limited, the fruitful use of industrial resources were restricted. In its immediate effects financial burdens were being imposed upon the State which threatened excessive and unremunerative taxation for the support of charitable and quasi-charitable institutions of the alleviative rather than the preventive type. Industries supporting male workers were being drawn upon to assist in supporting women workers engaged in other industries, which were refusing to carry their cost.

In a word, here, if ever, was presented a community problem, a problem affecting the State in its pervasive entirety.

Second.—The purpose of the statute was to provide for this deficit between the cost of women's labor—i. e., the means necessary to keep labor going—and any rate of women's pay below the minimum level for living and so to eliminate all the evils attendant upon such deficits on a large scale.

No one claims, surely not the plaintiffs, that Oregon in this legislation was actuated by a desire to gratify any public venom or mob spirit against individuals in

order to injure them. On the contrary, complaint is made either of the futility of Oregon's efforts, or of the economic unwisdom of what is admittedly a *bona fide* attempt by Oregon (and the other legislatures) to accomplish the public ends indicated. In a word, the ends toward which this legislation was directed were the ends that are the very life of the State, namely, the health and civilized maintenance of this generation, and the healthy and civilized continuance of generations to follow.

POINT II.

The means selected by Oregon "are appropriate" and "plainly adapted" to accomplish the legitimate end.

The second part of Marshall's canon reads as follows:

> "All means which are appropriate, which are plainly adapted to the end * * *."

This states the broad scope of the question. But there can be no doubt that Marshall, if he were speaking to-day, would, without changing his central point of view, have phrased it in a slightly different form. Instead of saying "plainly adapted" he would have said "not plainly unadapted." This has been the spirit of the later formulas. The recurring adjectives used by the court are "arbitrary," "wanton" and "spoliative," and this is the thought that underlies the decisions (*e. g., Jones* v. *Brim,* 165 U. S., 180, 182; *Booth* v. *Illinois,* 184 U. S.,

425, 429; *Lemieux* v. *Young,* 211 U. S., 489, 496; *McLean* v. *Arkansas,* 211 U. S., 539, 548; *Grenada Lumber Co.* v. *Mississippi,* 217 U. S., 433, 441-2; *Noble State Bank* v. *Haskell,* 219 U. S., 104, 110-11; *Chicago, Burlington & Quincy Co.* v. *McGuire,* 219 U. S., 549, 567-8; *Central Lumber Co.* v. *South Dakota,* 226 U. S., 157, 160-1; *Schmidinger* v. *Chicago,* 226 U. S., 578, 588; *Erie R. R. Co.* v. *Williams,* 233 U. S., 685, 699, 704; *Chicago & Alton R. R.* v. *Tranbarger,* 238 U. S., 67, 77; *Tanner* v. *Little,* 240 U. S., 369, 386).

This case, however, does not raise any issue as to the possible differences resulting from the difference in philosophic emphasis between "plainly adapted" and "not plainly unadapted." The statute fulfills Marshall's requirement of appropriate correlation of means to end, judged from the angle of sincere respect for the exercise of legislative discretion and the corresponding restraint that keeps this Court from exercising its great powers of negation in the field of politics and policies, as distinguished from the narrow ground of immutable principles which alone the due process clause protects.

First.—From among the alternative means which Oregon might have adopted for accomplishing these public ends the particular one adopted was reasonable and appropriate.

The object of Oregon was, as we have shown, to provide for a disastrous deficit between women's labor cost and their labor pay, so as to eliminate grave public evils and also to promote decent standards of life. The possible alternative courses of action which were open to the legislature in this situation may be summarized as follows:

(1) It could have refrained from action, and submit to the evils as inevitable human misfortunes, subject to no prevention, but only to alleviation through public and private charity.

(2) It could have provided a direct subsidy out of the public treasury to pay a wage equal to the necessary cost of living, just as for other reasons of policy governments have granted subsidies to manufacture.

(3) It could have adopted the Massachusetts method, which seeks to compel the necessary wage increase through intelligent self-interest and the pressure of public opinion rather than by statutory compulsion as the condition of doing business; or

(4) It could have taken the method it did take, which involved a prohibition of the use of women's labor for less than its cost, except by special license from the commission.

There was cumulative testimony, both in the belief of those entitled to express an opinion and in the actual records of experience, that these evils are not inevitable human misfortunes. Oregon was entitled to disprove that lazy gospel of fatalism. From the point of view of effectiveness in accomplishing its purposes (which is the only point of view material on this point of our brief), Oregon's choice as among the three remedial methods of effort surely was not "arbitrary" or "unreasonable." It had the support of a great body of public opinion (*Jacobson* v. *Mass.*, 197 U. S., 11, 31, 34-5; *Muller* v. *Oregon*, 208 U. S., 412, 420; *McLean* v. *Arkansas*, 211 U. S., 539, 548, 549), crystallized not only in the expres-

sion of thinkers, but in the extensive and successful experience of other countries with such legislation (Part Two, pp. 506-748, *infra*), in the fact of such legislation in other States (*infra*, p. 76), and in the voluntary and successful establishment of similar standards by manufacturers (*infra*, Part II, pp. 424-506). This public opinion in Oregon is described by the Supreme Court of the State in its opinion (Stettler, R., fol. 39 *et seq.*).

There is now before this Court not only the persuasive volume of accredited opinion and the experience of other countries (not unlike Oregon either in industrial conditions or legal traditions) vindicating the reasonableness, not to speak of the absence of unreasonableness, of Oregon's legislation, but also the proved effectiveness of Oregon's own experience for three years under the Act. This is now sought to be upset as beyond the State's power in dealing with evils which are yielding under the enforcement of this Act, and that, too, without any of those bad effects which were so recklessly predicted.

Second.—Therefore, even though this Court might think that some other means would have greater chance of effectiveness, it was open to Oregon to try this method unless it was affirmatively prohibited by the constitution.

POINT III.

No rights of plaintiffs secured under the constitution of the United States prohibit the use of the means so adopted by the State of Oregon to accomplish these legitimate public ends.

"The end" then is "legitimate" and "within the scope of the Constitution" and "the means" are "appropriate and plainly adapted" (and *a fortiori* not plainly unadapted) to that end. The only remaining question is: are these means "prohibited" and do they "consist with the letter and the spirit of the Constitution?"

It is not for the legislature of Oregon to demonstrate affirmatively that the Constitution explicitly authorizes the use of these appropriate means for accomplishing its public ends; rather it is for the plaintiffs to show some explicit withdrawal of that power from it. We have seen that the only alleged obstruction to the power "exercised by Oregon, which calls for discussion, is the Due Process Clause in its substantive application: does Orgeon "deprive" Stettler or Simpson of "life, liberty or property without due process of law?"

There are two questions to every issue under the Due Process Clause and it will make for clarity if they are kept distinct. (1) Has there been deprivation of life, liberty or property? (2) If so, what is the justification, *i. e.*, the "due process" of the deprivation?

On the deprivation question, we assume, for the purpose of this discussion, that even the slightest interference with even the most capricious wish of an individual

is a deprivation of "liberty" (using the word in an unqualified sense and not restricting its meaning so as to limit it to a "liberty" regulated by "due process"), and so we concede there has been deprivation here. So long as there is a deprivation of "liberty," it is immaterial whether there is also a deprivation of "property"; but in so far as unrestrained liberty of business action is to be regarded as also a property right, we likewise assume even a nominal deprivation of "property."

The only point, then, for consideration here is whether the deprivation, such as it was, is "without due process of law."

The Court has consistently recognized the futility of attempting an inclusive definition of "due process," but during forty years and more of judicial unfolding, the central ideas that inhere in this constitutional safe-guard have become manifest. A careful study of the long line of cases involving an interpretation of the Fourteenth Amendment, beginning with the *Slaughter-house Cases* (16 Wall., 36), shows two dominant ideas conceived to be fundamental principles: (1) freedom from *arbitrary* or *wanton* interference, and (2) protection against *spoliation* of property. "Arbitrary," "wanton" and "spoliation" are the words which are the motif of the decisions under the Due Process Clause. That is as close as we can get to it, and it is close enough when dealing with the great questions of government. What it means, what all the cases illustrate, is that the Fourteenth Amendment intended to leave the States the free play necessary for effective dealing with the constant shift of governmental problems, and not to hamper the States except where it

would be obvious to disinterested men that the action was arbitrary and wanton and therefore spoliation and unjustified.

First.—The so-called "liberties" of which the plaintiffs claim to have been deprived were merely nominal and theoretical and not asserted bona fide. Therefore it was not "arbitrary," "wanton" or a "spoliation" for Oregon to allow great public interests to prevail over them.

To be sure, the "liberty" protected by the Fourteenth Amendment leaves a man, within limits, to do what he likes and be sole judge of his wishes and interests, but before these rights can be entitled to constitutional protection they must be susceptible of translation into terms of substance and human satisfaction and not merely theoretical caprices, unrelated to real action in a finite world.

In balancing individual rights against the power of a State the Constitution is not "formal rather than vital," and its limitations are not mere "mathematical formulas having their essence in their form" rather than "organic living institutions transplanted from English soil" (*Gompers* v. *United States,* 233 U. S., 604, 610). This Court has avoided the scholastician which seeks to "press the broad words of the Fourteenth Amendment to a drily logical extreme" (*Noble State Bank* v. *Haskell,* 219 U. S., 104, 110; see also *Interstate Railway Co.* v. *Massachusetts,* 207 U. S., 79, 86-7).

> "Constitutional rights like others are matters of degree and the great constitutional provisions for the protection of property are not to be pushed to a logical extreme, but must be taken to permit the inflation of some fractional and relatively small losses

without compensation for some at least of the purposes of wholesome legislation."

"These and other considerations were thought to outweigh a merely logical or mathematical possibility on the other side [*i. e.*, that the improvement might not benefit the land more than its cost]" (*Martin* v. *District of Columbia*, 205 U. S., 135, 139).

"In fact, it would seem from the character of many of the cases before us and the arguments made in them, that the clause under consideration is looked upon as a means of bringing to the test of the decision of this Court the abstract opinion of every unsuccessful litigant in a State court of the justice of the decision against him, and of the merits of the legislation on which such a decision may be founded" (*Davidson* v. *New Orleans*, 96 U. S., 97, 104).

Examination of the present records shows that no *bona fide* claim of any really desired liberty of action is asserted, and it is only the claims that are both asserted and actually involved which can be considered (*Chicago Ry.* v. *Wellman*, 143 U. S., 339, 344; *Hatch* v. *Reardon*, 204 U. S., 152; *Plymouth Coal Co.* v. *Pennsylvania*, 232 U. S., 531, 545; *Jeffrey Co.* v. *Blagg*, 235 U. S., 571, 576; *Lehon* v. *Atlanta*, 242 U. S., 53).

What, then, is the "liberty" which these plaintiffs assert and show to be really curtailed? It is nothing but the "liberty" of not being required to get leave of the Commission before making contracts below a living wage.

It is true that counsel claims they have been deprived of the actual liberty of making the contract itself, but this is to assume, without any basis whatever in either record, that the Commission would have rejected any applications that might have been made.

Neither of the plaintiffs assert that his case is not

within the scope of the license clause (Sec. 10) or that application has been made and refused.

On the contrary, Stettler alleges that all his employees are "experienced, adult women," *i. e.*, not learners or apprentices (*Stettler,* R., fols. 12, 19, 20), and that those he pays less than the minimum "are incompetent by reason of age, inability or otherwise to earn greater wages than they are being paid" (*Stettler,* R., fol. 23); and, similarly, Simpson alleges that she "is an adult, experienced woman in the work aforesaid" (*Simpson,* R., fol. 15) and she makes no allegation that she is not within the class to whom licenses are available, *i. e.*, those "physically defective, crippled by age, or otherwise." In the absence of some proof to the contrary, the Court will, of course, assume that the Commission will grant an appropriate request (*Gundling* v. *Chicago,* 177 U. S., 183, 186; *Mutual Film Corporation* v. *Industrial Commission,* 236 U. S., 230, 245-6; *Lehon* v. *Atlanta,* 242 U. S., 53). Without any showing that applications must have been fruitless, or were made and denied, they are in no position to assert a loss of the right to do what for all that appears they might have been permitted to do.

Their claim, however, is still more fragile. Stettler complains that the statute will necessarily restrict him

> "to the employment only of women who are capable of performing labor sufficient to earn said sum of $8.64 or more and said less competent employees will be prevented from laboring for the plaintiff" (*Stettler,* R., fol. 23).

In other words, the so-called "liberty" which he claims is merely a "liberty" to employ $8 women for $8 instead of $8.64 women for $8.64. Indeed, it may well be

that his business advantage and interest are to employ the smaller number of the more efficient, because that requires a smaller overhead, and may well lead to a superior output, and so would make for greater stability and increased profits (Part Two, pp. 581-596).

Similarly the "liberty" which Simpson asserts is fictitious, theoretical and against her own interest. She makes the remarkable allegation that $8 is the

> "best wages and compensation for her labor *that she is able to receive,* for any employment or labor which she is capable of performing" (*Simpson,* R., fol. 22).

This carefully framed language avoids any allegation that her product is not worth $8.64 at least; and she also avoids any allegation that the act will deprive her of *employment,* but only of *employment with Stettler* (*Simpson,* R., p. 10). It seems plain that here is an "inspired" case filed not in her own interest, but in support of her employer's* (cf. *Chicago Ry.* v. *Wellman,* 143 U. S., 339, 344, 346).

It is true that the statute might possibly involve substantial deprivations of "liberty" to Stettler *if* his object is to employ $8.64 women for only $8, or to Simpson *if* she could not obtain any employment at all at $8.64; but neither Stettler nor Simpson asserts any deprivation of such liberties. On the contrary, as above shown, they

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*"It may not be improper to suggest in this connection that although the prosecution in this case was against the employer of labor his defence was not so much that his right to contract has been infringed upon, but that the Act works a peculiar hardship to his employees, whose right to labor as long as they please is alleged to be thereby violated. The argument would certainly come with better grace and greater cogency, from the latter class." (*Holden* v. *Hardy,* 169 U. S., 366, 369, 397.)

either explicitly deny such claims or carefully refrain from asserting them.

Therefore, such deprivations, being not asserted by the plaintiffs in error, are not for consideration here and the question is reduced to the consideration of the purely fictitious liberties above discussed.

It is proper for the Court in determining whether the liberty asserted is real to consider also the *bona fides* of the claim by which it is advanced. In this particular situation the Court cannot be blind to the fact that the only possible financial or business advantage which could accrue to Stettler from the invalidation of this Statute would be on the hypothesis that it prevents his getting not merely the labor of one particular woman rather than that of another, but getting labor at less than the true value of its product. Is not this Stettler's real grievance, for it is preposterous to suppose that he would really exercise or value, in his actual business operation, the liberty which he here claims, namely, a liberty to employ an inefficient woman in place of an efficient one, if he proposes to pay in either case what the output is really worth.

In short, as a practical proposition it is impossible to escape the conclusion that the liberty which Stettler really is seeking is a liberty to pay an unfair wage.

Nor can it be that Simpson's claim is any more *bona fide*—for the liberty to work for Stettler rather than for another employer cannot be important to her, and the evident purpose of her case is to support the objects of her employer against her own interest.

The question, then, is whether Stettler's alleged right

to employ $8 women for $8 in place of $8.64 women for $8.64, and Simpson's alleged right to employment with Stettler rather than with other employers at a higher pay are "liberties" which reach the level of those protected by the Constitution. It seems to us evident that they are not, but that they are purely theoretical and fictitious claims. The possible conduct which the statute restrains is conduct which (though they *pretend* to desire it) would be contrary to their own real interest and one that does not correspond to the real as opposed to the alleged facts of the situation.

Second.—The alleged deprivations of property are either merely nominal and not bona fide, like the so-called "liberties," or hypothetical and unsubstantiated; and therefore were not dealt with arbitrarily or wantonly or as a spoliation.

As to "property," Simpson shows no deprivation whatever that can be separated from her claim in regard to "liberty," and so no further special consideration of her case is necessary on this point.

Stettler's claim is that he "cannot continue said business if he shall be required to pay each of said women [to wit, the particular women he is now employing at below the minimum price] the sum of $8.64 per week." (Stettler R., fol. 19.)

Before considering other decisive answers to this claim, let us point out one which disposes of it at the threshold; that the statute itself provides him a means of avoiding any property loss, by the provision (sec. 10) already discussed in respect to special licenses. Whatever may be said of a claim that this requirement of application for licenses amounts to a deprivation of "lib-

erty," it certainly cannot be said that it amounts to any deprivation of "property," or that he can assert a deprivation of "property" which could not possibly follow if he applies for and obtains a license. The statute itself safe-guards the right for which he needlessly asks this Court to strike it down. (*Gundling* v. *Chicago,* 177 U. S., 183.)

Even if, however, we should argue from the most generous hypothesis that Stettler had sought a license and been refused, he still does not show any deprivation of property. He does not even attempt to assert that any present loss has actually occurred. At most he predicts that it may occur. His claim is purely a guess. *Non constat* that the operation of the law may not work to his profit and make his business less precarious. In actual operation it may make money for him rather than take money from him. Only experience can determine, and until he shows an adverse experience he is without grievance in his claim to nullify the legislation of a State. He cannot ask this Court to overturn the judgment of the legislature of Oregon on a mere guess, when in fact experience may disprove the guess. (*Willcox* v. *Consolidated Gas Co.,* 212 U. S., 19; *Des Moines Gas Co.* v. *Des Moines,* 238 U. S., 153; cf. *Chicago Railway* v. *Wellman,* 143 U. S., 339, 344-6.)

In the *Eighty Cents Gas* case (Willcox case, *supra*), for example, the Court explicitly made its dismissal of the bill without prejudice to the right of the complainant to return to the Court if the "practical experience of the effect of the acts by actual operation under them" should "prevent the complainant from obtaining a fair return."

(212 U. S., 19, 54-5.) Yet the complainant never returned to the Court, and it is public knowledge that the act really worked out to its profit.

This precedent of the Gas case was followed in *Northern Pacific Railway Co.* v. *North Dakota,* (216 U. S., 579, 580-1). Later on the complainant in that case returned to the Court and laid before it experience which demonstrated in terms of dollars and cents that the Statute did work a deprivation of property. Then, and not till then, was the State's action nullified. (*Same* v. *Same,* 236 U. S., 585.)

Stettler himself has now had over three years experience under the operation of the Act, and in the absence of a showing by him that his experience has actually resulted in putting him out of pocket, his prophesies of disaster cannot prevail. As a matter of fact, the general experience in Oregon during these three years proves that the actual operation does not produce the result he predicted, thereby corroborating the experience of Australia, and England, and other communities. (Part Two, pp. 506-555.)

Of course we do not argue that this statute accounts for the prosperity. A great number of factors enter into that complex result. But it shows that he cannot maintain the position which the Court required the complainants in the *Gas* and *Northern Pacific* cases, *supra* to maintain—namely, affirmative proof that the operation of the very statute assailed puts the specific complainant to loss, *i. e.* measurable diminution of his wealth.

It is true, of course, that the Court is not required to sustain a statute if it can see without waiting for experience that the result must certainly be property loss to

a complainant. That follows from its equity powers to prevent irreparable injury. To make such a case, however, the imminence of the injury must be something more than a mere guess, and something more than a mere partisan claim of a litigant in a situation which involves so "many elements of uncertainty in the calculation." (*Northern Pacific Railway Co.* v. *North Dakota,* 216 U. S., 579, 580-1, *supra.*) The imminence of the injury must be demonstrable as an unavoidable result of the operation of the statute.

This was the point of view of the Court in *Chicago Railway Co.* v. *Wellman,* 143 U. S., 339, *supra*:

> "The silence of the record gives us no information and we have no knowledge outside thereof, no suspicion of wrong. Our suggestion is only to indicate how eagerly courts may be misled into doing grievous wrong to the public, and how careful they should be not to declare legislative acts unconstitutional upon agreed and general statements and without the fullest disclosure of all material facts." (p. 346.)

It may be said that the cases arise on demurrer and this calls for a scrutiny of the complaints. Nowhere does the complaint in either case allege an actual existing loss. It only predicts a possible loss, and even this prediction is based upon a construction of the statute which it does not bear, or a gloomy theory of industrial economics, which experience, so far as we have it, disproves.

Stettler's claim, quoted above, alleges that he will lose his business "if he shall be required to pay each of said women [to wit, the particular women he is now employing at below the minimum price] the sum of $8.64

per week" (Stettler R., fol. 19). But the act puts no such compulsion on him; it does not require him to increase the wages of these particular women. As we have seen, it only forbids his continued employment at less than the fixed minimum without the leave of the Commission, the granting of which, upon appropriate request, this Court will presume in absence of a showing to the contrary. (*Gundling* v. *Chicago,* 177 U. S., 183, 186, *supra; Mutual Film Corporation* v. *Industrial Commission,* 236 U. S., 230, 245-6, *supra.*) If the terms of the statute had prevented Stettler from getting employees on a self-supporting basis, or if his complaint had alleged that it is impossible to find such a supply, we might then have had a case at least of certain deprivation of property in the future, the loss of which equity could forestall in a proper case.

There are two short answers to such a claim. In the first place, the statute in nowise imposes such a restriction, and in the second place, Stettler in nowise alleges that his property will be so affected. The reason he makes no such allegation is that he would thereby call into question the basic assumption of the social structure, for, in effect, it would be tantamount to saying that society cannot be self-supporting, even if human energy is adequately employed and properly directed to productive ends.

Third.—It is not arbitrary, wanton, or a spoliation for the State to require Stettler to pay the cost of Simpson's labor if he chooses to use it.

Stettler's theory is something like this:

For the sake of conserving Simpson's health, etc., the

State wishes her to have more money. In order to provide this the State forbids Stettler to employ her unless he gives to her this additional money. Inasmuch as (according to his theory) there is no relation between himself and her need of this additional money his "liberty" is being limited by purely arbitrary conditions just as if the State should require this, say, of John D. Rockefeller, who is not her employer or concerned with her in any way. This proposition pervades the entire argument of the plaintiffs. (See Brown Brief on the original argument, pp. 10, 15, 16, 17, 22, 27, 33, 34, 39.)

The short answer to this central claim is that Stettler is Simpson's employer and no other person is. He alone has the use of her working energy, to maintain which a cost of not less than $8.64 per week is essential.

From this vital difference of relationship, inherent in his peculiar status as her employer, follow the vital consequences which differentiate him from any other citizen, and furnish the justifications for the imposition of her minimum living cost upon him, as distinguished from any other person in the State.

It is Stettler, and Stettler alone, who receives the benefit of Simpson's working energy, which cannot be produced or maintained by less than $8.64 per week. That is the minimum *cost* of her labor. It provides only for such quantity of food as will preserve her working energy and for such shelter and clothing as will save it from destruction by the elements. This fact is conceded (Plaintiff's Brief on original argument, p. 11) and has been authoritatively and conclusively determined by overwhelming evidence (Part Two, pp. 356-383).

If the status were slave owner and slave, instead of employer and employee, Stettler would have to expend at least this much to keep the slave in fit condition for her work; or if we look upon a human worker in a factory as a mere piece of physical machinery, this weekly sum would represent the minimum actual cost of the coal and repairs it would require for its operation. The significance of this is that the expenditure by someone of every penny of this whole sum of $8.64 upon Simpson goes to the operation of the industry and merely provides for the cost of that operation. It goes to the maintenance of the energy purchased by the employer and devoted to the industry.

Suppose this minimum wage even allows a small balance for civilized demands of the human personality over and above the absolute necessities of preserving the working energy in its mere animal aspect. Even in such a case Stettler's argument would be unsound; but how is it possible to say, as Stettler says, that there is no relation between his industry, which uses all the working energy of Simpson's life, and the bare necessary cost of keeping that life at work? How is it possible to say, as Stettler says, that it is arbitrary, wanton or spoliative for the State to require him to pay the cost of any articles (above all of human beings who in the aggregate make up the State itself) if he chooses to use it? The State does not compel him to use it; all that it says to him is that if he chooses to take its benefit he must pay at least its cost. Even thus limited in its requirement the State is not rigid. It has made provision for variations from the normal, it allows for the diversities among masses

of men, and so it grants Stettler the right to use labor even at less than its cost, if he can show to the Commission a reasonable justification for the issue of a special license.

Stettler's argument, in brief, reduces itself to the familiar one of no "liability without fault," to the claim that the State must show an intimate relation of cause and effect between his industry and Simpson's necessities, before it can impose her living cost upon him. Causation (in so far as there is any implication of culpability) is one of the most slippery concepts of the law and a metaphysic based upon causality is a sterile and dangerous method of approaching constitutional inquiries. In truth, there are many familiar instances prior to the Fourteenth Amendment and therefore recognizing a field for State action not restricted by it, wherein liabilities are imposed, without any notion of fault or moral culpability, but solely because, in the conduct of business, relationships necessarily arise between human beings which involve certain responsibilities towards other human beings. These responsibilities the law enforces.

St. Louis, etc., Railway v. *Matthews,* 165 U. S., 1 (sustaining Missouri statute holding railroad company liable for all property destroyed directly or indirectly by fire from locomotives wholly apart from any question of negligence).

Jones v. *Brim,* 165 U. S., 180 (sustaining Utah statute creating absolute liability, and wholly apart from negligence for damages done by cattle).

Atchison & Topeka Railroad v. *Matthews,* 174 U. S., 96 (sustaining Kansas statute imposing attorney's fees in cases of recovery for damages by fire caused by operating of road).

Chicago Railway v. *Zernecke*, 183 U. S., 582 (sustaining Nebraska statute imposing an absolute liability upon carriers for passenger injuries).

> "Our jurisprudence affords examples of legal liability without fault, and the deprivation of property without fault being attributable to its owner" (p. 586).

Chicago v. *Sturges*, 222 U. S., 313 (sustaining Illinois statute imposing absolute liability upon a municipality when property is destroyed by mob violence).

To a legislature faced with such public problems as confronted the legislature of Oregon the claim that it cannot constitutionally compel a man to pay at least the bare cost of what he uses must seem a long departure from the practical common-sence by which alone human relations can be efficiently adjusted.

Fourth.—The State's action was not arbitrary, wanton or a spoliation because the State's own direct interest in these particular wage contracts gave it a special justification for controlling them.

Assuming, for the purposes of the argument, that an ordinary wage bargain would not be subject to State regulation, that cannot be the case with the particular class of bargains here involved. A contract in which a mere living wage is at stake is not merely the private concern of the employer and the employee, but a tripartite affair involving (1) employer, (2) employees and (3) the public.

If the employer and the employee were completely isolated from all reliance upon the outside public no bargain for employment at less than a living wage would

be possible, because the deficit between the proposed payment for the labor and the cost of its production and maintenance could not be supplied. Without assistance from the public in some form or other no employer could obtain labor below cost nor could any employee give it. In other words, a contract for labor below its cost must inevitably rely upon a subsidy from outside. To the extent of this subsidy the public is necessarily concerned; thereby the public is drawn into the situation; it is not an intermeddler.

This may become still clearer if we frame it in terms of the negotiation which Stettler demands the unconditional right to make with Simpson.

Employer:

> I am to pay to you and you are to receive from me $8 per week. You are to give to me and I am to receive from you *all* your working energy, which has been validly ascertained to consist of ten hours a day.

Employee:

> But, sir, this working energy, of which you are to receive the total, costs at the very least $8.64 a week. How are *we* to get the balance?

Employer:

> We can get it in either of three ways: (1) members of your family engaged in other industries will supply it rather than see you starve, or (2) you can get it from a "friend," or (3) you can get it from public or private charity.

This is a plain case of relying upon a public subsidy for a private interest, and the State has, therefore, a special right to impose conditions upon which the industry or the employee may enjoy the subsidy or even to

refuse it absolutely. Oregon does not refuse it, but merely imposes conditions upon the grant. It demands to be shown that the subsidy is just and necessary to the satisfaction of its Commission. Stettler has no more constitutional right to insist upon this grant in aid of his business than a man who undertook to raise bananas in Connecticut would have to demand, as of right, a public subsidy by way of a tariff. Nor has Simpson any absolute right to give her energies to Stettler's industry if she cannot keep her side of the bargain without public subsidy.

If her output really is worth the cost of her labor, then surely she can have no claim for public assistance. If her output is not worth its cost because of her inefficiency, such inefficiency usually means that she has not been trained to the best use of her capacities. Surely the State may induce such training, stimulate efficiency on the part both of employer and employee, and thereby add to the wealth of the State. Experience demonstrates that in fact such efficiency is powerfully stimulated and productivity enhanced by establishing a minimum wage. (Part Two, pages 539-596.)

If Simpson cannot be trained to yield an output that does pay the cost of her labor, then she can either avail herself of the license conditions imposed by the statute for such cases, or accept the status of a defective to be segregated for special treatment as a dependent of the State. On this point counsel argued in their first brief that the State could not put her in this position unless it provided in advance for her maintenance. (Plaintiff's Brown brief on original argument.) This ignores

the provisions made by the State for special licenses.* Besides, the State may determine how defectives shall be supported, and not be compelled to grant an indirect subsidy. One of the most baffling problems of the modern State is the treatment of those who are incapable of carrying their own weight. The first step in the solution is to know who is self-supporting and who is dependent. The State, therefore, may use means, like the present statute, of sorting the normal self-supporting workers from the unemployables and then deal with the latter appropriately as a special class, instead of an indiscriminate, unscientific lumping of all workers, with a resulting unscientific confusion of standards.

Fifth.—It is not arbitrary, wanton or a spoliation for the State to require Stettler to obtain a license from the Commission before he can buy labor at less than cost, because that is a reasonable means of preventing a possibility of cut-throat and unfair competition, between manufacturers.

If the State could be assured that wage contracts involving purchase and sale of labor will not be made in any substantial number of cases for less than cost, then the State could feel that its requirement of prior scrutiny by the Commission is unnecessary, because if all wage contracts were for the fair value of the produce they would not affect competitive conditions. Experience, however,

* It may be contended that the license clause does not cover every conceivable case of inability to earn a living, because it is limited to (1) learners and apprentices, and (2) women "physically defective or crippled by age or otherwise," Sec. 10. But surely it is incumbent upon the plaintiffs to show that the existing license provisions would be construed so as not to cover their situation before they can be heard to object (*Chicago St. Railway* v. *Anderson*, 242 U. S., decided Dec. 18, 1916); and surely also the State can test this matter as experience reveals other instances for special licenses and cannot be expected to see every future need in advance. (*Price* v. *Illinois*, 238 U. S., 446, 453.)

proves that the State could not safely control its action by such a hypothesis, and that legislation, therefore, may fill the gaps caused by the ignorance or helplessness of laborers and the ignorance or avarice of employers. As against competing employers who accept the dominant standard of dealing towards their employees, and who have a more enlightened view of the far-reaching consequences of wages below the human minimum upon industry, public health, living standards, etc., the unscrupulous and narrow-minded employer may obtain at least a temporary advantage by getting labor at less than its cost. Such an employer takes advantge of a situation so as to draw upon a public subsidy as a fund which enables him to undersell competitors.

This is recognized by counsel for the plaintiffs in error in his brief on the first argument. In several passages including the following:

> "It [the Massachusetts form of statute] naturally results in bringing in line with the employers of more humanitarian tendencies those who, from avarice, neglect, or indifference would remain inactive without some such stimulating incentive." (p. 49.)
>
> "The efficacy of any legislative enactment relating to a minimum wage is not so much from its compulsory features as it is from its encouragement and assistance to the co-operation of those more malevolently inclined for having a higher ethical sense." (p. 79.)
>
> "Even if we admit that it is the ethical or religious duty of an employer to supply this need (*i. e.* the need of a living wage) still there is no legal basis for compelling him to do so." (p. 33.) . . . "It is a need to which except on purely ethical considerations the employer is a stranger." (p. 39.)
>
> "In the purely ethical phases of the question

there is little field for contention; because this as any question of ethics involving the abstract question of duty, of right and wrong, of charity, of benevolence, of sacrifice for others, becomes from its ethical viewpoint more like a question of religion. It must be solved in fact by each individual or each community of individuals according to the dictates of conscience." (p. 47.)

This Oregon statute recognizes the standards to which counsel refer and seeks to protect those employers who desire to apply such standards in their business from the cut-throat competition of those others whom counsel describe as controlled by "avarice, neglect, or indifference."

In truth, the narrow issue between Stettler and Oregon is that Stettler thinks that standards which he recognizes as right should be allowed to find acceptance only by voluntary adoption or, at most, through the coercion of adverse public opinion. In other words, the plaintiff, while recognizing the desirability of making this standard universal in the State of Oregon, asserts that the State is debarred from this particular means of doing so. Plaintiff's position is a new assertion of a familiar philosophy. Plaintiff, in effect, is asserting not merely his individual belief in the doctrine of philosophic anarchy, *i. e.* that action cannot be compelled by legislation, but he is asking this court to say that such a doctrine of philosophic anarchy is incorporated in the Fourteenth Amendment.

Surely it is much too late to yield to such a doctrine. From the very beginning of the subjection of anarchy to law, step by step, the State has restricted the field of unregulated competition by prohibitions enforced

through a great variety of remedies. It has not left right standards to prevail through their inherent reasonableness or through enlightened self interest.

The Chief Justice broadly stated the course of this evolution in *Standard Oil Co.* v. *United States*, 221 U. S., 1.

> "It will be found that as modern conditions arose the trend of legislation and judicial decision came more and more to adapt the recognized restrictions to new manifestations of conduct or of dealing which it was thought justified the inference of intent to do the wrongs which it had been the purpose to prevent from the beginning." (p. 57.)
>
> "It is equally true to say that the survey of the legislation in this country on this subject from the beginning will show, depending as it did upon the economic conceptions which obtained at the time when the legislation was adopted or judicial decision was rendered, that contracts or acts were at one time deemed to be of such a character as to justify the inference of wrongful intent which were at another period thought not to be of that character. But this again, as we have seen, simply followed the line of development of the law of England." (p. 58.)

Throughout this whole course the State has been putting its power more and more on the side of what the prevailing opinion of the time conceives to be right dealing. In the very fact of the prevalence of opinion is found its reasonableness.

The assertion by the State of this power is the history of legislation since the time of Edward I. It is impossible for the State to remain neutral in a contest between men who desire to deal fairly and those who desire to deal unfairly; the State must choose between encour-

aging unfair conduct by keeping hands off or discouraging it by insisting upon fair play.

There is a substantial mass of legislative recognition both of the illegality of unfair competition in general and of selling below cost, in particular, *e. g.*, The Federal Trade Commission Act; The Clayton Act (secs. 2 and 3); The Interstate Commerce Act (sec. 29); State statutes prohibiting price cutting and selling below cost or fair market value are collected in the Report issued by the Bureau of Corporations in March, 1915, entitled "Trust Laws and Unfair Competition" showing that the following States have adopted such laws: Idaho, Nebraska, South Carolina, Alabama, Mississippi, Tennessee, Texas, Arkansas, North Carolina; and general laws covering Oklahoma and Wisconsin. (pp. 192 *et seq.*) The same report shows that this legislation accords with the opinion of economists (pp. 306 *et seq.*) and foreign legislation (pp. 528 *et seq.*).

That such legislation is constitutionally founded, this Court held in *Central Lumber Company* v. *South Dakota*, 226 U. S., 157,

> "It might have been argued to the legislature with more force than it can be to us that recoupment in one place of losses in another is merely an instance of financial ability to compete. If the legislature thought that that particular manifestation of ability usually came from great corporations, whose power it deemed excessive and for the reason did more harm than good in their State, and that there was no other case of frequent occurrence where the same could be said, we cannot review their economics or their facts." (p. 161.)

Sixth.—It is not arbitrary, wanton or a spoliation for the State to require the consent of the Commission before allowing an employee to sell labor below cost, because that is a reasonable means for preventing unfair competition between employees.

Similar considerations apply to competition between employees, because an employee who sells her labor for less than its cost, availing herself of outside subsidies, is unfairly competing against other seekers for similar employment. The State might even have prohibited such contracts altogether even in cases where the product was not really worth the cost, because of the effect that such bargains have in dragging down the general standard and encouraging wider and unnecessary dependence upon the subsidies.

Oregon, however, did not go to that extreme. It only required that contracts which endangered general standards in this manner must first be approved by the Commission. The underlying principle is the same as that which eliminates prison labor from competition against free labor, and prevents the output of State and charitable institutions to compete without control against self-supporting business.

The essential purpose of the Act is to compel employers to pay the living cost to all their employees whose product is worth it, and thereby correspondingly protect the efficient against a ruinous competition.

Seventh.—It is not arbitrary, wanton or a spoliation for the State to require the consent of the Commission before allowing a wage contract at below cost, because of the actual inherent inequality of bargaining power between the parties.

The analysis of the present industrial structure has thus been authoritatively set forth in the report of the Secretary of Labor for 1916:

> "The experience of the department in mediation service during the three years of its existence is so far confirmatory of the suggestions with reference to collective bargaining that were made in my first annual report and reiterated in the second as to call for their requotation here.
>
> "Premising in those reports that the Department of Labor, as an executive department devoted to the just interests of wage earners, had been established as one of the results of general industrial progress, I continued: 'Owing to well-known developments in production, the relation of employer and wage earner is no longer personal or individual. Theirs is now usually a relationship between groups of employers on one side (such as corporation stockholders) and groups of their respective workmen on the other. Employers act collectively through their own chosen agents—corporation managers, factory or mine superintendents or foremen, labor brokers, or the like—who in hiring laborers represent collective financial interests. It is obvious that this method of employment, generally necessary for success in modern industry, may give to employers great contractual advantages over wage earners. Unless wage earners also act collectively through their own agents in hiring wage earners are often averse to dealing with the agents of wage earners who collectively offer their services. They desire to contract with wage earners individually.'
>
> "Those observations have now been tested and found true by the efficient body of commissioners of conciliation who have represented the department in its mediation service.

"Large employers are usually incorporated companies, with many stockholders of diversified industrial connections and with boards of directors having intercorporate affiliations. Often they are fortified with public franchises or other special privileges, and their superintendents and foremen—with whom alone wage earners have personal relations—are naturally sensitive to the industrial powers back of them. An individual wageworker is weak indeed as a bargainer with such employers. He must take what they offer or go without employment; and going long without employment means to the wageworker what hopeless bankruptcy means to the business man, except that it is immeasurably worse.

"We have but to visualize familiar facts in order to see what individual bargaining by wageworkers for employment really is; we may thus see it as wageworkers not only see it, but as they so often harshly feel it. Consider the picture. A solitary wageworker faces a foreman whom he asks for work to do. Back of him a shadowy mass of indidivdual bargainers eager for the job. Fronting him the foreman upon whose word his livelihood depends. Over the foreman a superintendent whom the foreman must satisfy. Rising above both, rank upon rank, managers, directors, stockholders, all to be satisfied by superintendents and foreman, and each rank subservient to the rank above it. The interests of all but the solitary bargainer for a job are knitted together into collective self-interest which instinctively dictates for wages the least that the labor market will allow—a market tense with competition for work but slack in competition for workers. Even this is not all. For that collective interest is permeated with similar ones through interlocked directorates and interlaced stockholding, vitalized it may be with gentlemen's agreements and by business coercion or fear of it. At the outer edge of all a lone wageworker bargains for work; bargains in a glutted labor market; bargains individually!

"Before those gigantic collectivities of employing interests a wageworker bargaining individually

for work is as impotent and negligible as a medieval peasant kneeling before the council of a king. Only if employment opportunities were unlimited could wage earners bargain individually with employment interests so unified. But, in reality, employment opportunities are limited—very narrowly, limited. The fact may be abnormal, but fact it is, that although the need for labor products is constantly in excess of their supply, yet opportunities for producing them are somehow so few that work is seldom plentiful. Never, one may fairly say, is opportunity for work so far in excess of persons needing work as to give them more than a very slight and very temporary advantage in bargaining, or even to place them for long on an even footing. While this unbalanced condition lasts the interests of wholesome social life demand that wage earners be freely conceded the right, in bargaining for employment, to do so collectively." (pp. 47-49.)

This analysis has the support practically of every competent student of economics and industry. It is idle to cite authorities. Quotation could be piled on quotation. It is all based on the application of the conviction that liberty of action implies choice, and, therefore, substantial freedom of contract presupposes equality of bargaining power. It is recognized in the great existing organizations of employers and employees, in the whole movement of collective bargaining, and in various aspects and to various degrees it is the starting point of the great volume of modern legislation all the way from the usury statutes to *Brazee* v. *Michigan,* 241 U. S., 340, upholding a statute designed to prevent employment agencies from exploiting unemployed (see *e. g.,* Labor Legislation of 1915, Bulletin of the United States Bureau of Labor Statistics, No. 186).

This was one of the principal grounds of the decision below (*Stettler*, R., fol. 42):

> "The legislature has evidently concluded that these conditions [excessive hours and excessively low wages and the necessity of protecting some classes in some employments 'from the same conditions for which royal proclamation was found necessary' in older times] prevail even in Oregon; that there are many women employed at inadequate wages; the employment *not secured by the agreement of the worker at satisfactory compensation, but at wages dictated by the employer. The worker in such a case has no voice in fixing the hours of wages, but must accept it or fare worse*" (italics ours, fol. 42).

The line of cases upholding State statutes which limit freedom of contract with women in various ways, rest, in part, upon realization of the fact that the mass of women employees cannot be expected to bargain on an equality with employers (*Muller* v. *Oregon*, 208 U. S., 412; *Riley* v. *Massachusetts*, 232 U. S., 671; *Hawley* v. *Walker*, 232 U. S., 718; *Miller* v. *Wilson*, 236 U. S., 373, 380-1; *Bosley* v. *McLaughlin*, 236 U. S., 385). And the same principle has been frequently upheld in regard to the bargaining power of employees in general, recognizing the fact that no individual laborer of the group working on the margin of bare living necessities can bargain *freely* with an employer under modern industrial conditions.

Barbier v. *Connolly*, 113 U. S., 27 (night work in laundries).

Soon Hing v. *Crowley*, 113 U. S., 703 (same as *Barbier* v. *Connolly*, 113 U. S., 27).

St. Louis, Iron Mt. &c., Ry. v. *Paul*, 173 U. S., 404 (statute requiring pay to date of discharge, whether due or not under the contract, is constitutional).

Knoxville Iron Co. v. *Harbison,* 183 U. S., 13 (Truck Acts).

McLean v. *Arkansas,* 211 U. S., 539 (statute requiring payment by "run of mine" weight).

C. B. & Q. R. R. Co. v. *McGuire,* 219 U. S., 549 (statute prohibiting contracts agreeing to fellow servant defense).

Mutual Loan v. *Martell,* 222 U. S., 225 (assignments of future wages).

Mondon v. *N. Y., N. H. & H.,* 223 U. S., 1 (Act of Congress prohibiting contract for exemption from employers' liability).

Second Employers' Liability Cases, 223 U. S., 1, 52.

Philadelphia, Baltimore & Washington Railroad v. *Schubert,* 224 U. S., 603.

Erie v. *Williams,* 233 U. S., 685 (statute prohibiting contracts to pay employees less often than semi-monthly).

Keokee Co. v. *Taylor,* 234 U. S., 224 (Truck Acts).

Jeffrey Manufacturing Co. v. *Blagg,* 235 U. S., 571 (Workmen's Compensation).

Rail Coal Co. v. *Yaple,* 236 U. S., 338 (statute requiring payment by "run of mine" weight).

Booth v. *Indiana,* 237 U. S., 391 (statute requiring proper washrooms).

Upon this principle of the power of the State to protect equality of bargaining rest many other laws and decisions, including the following:

USURY.

"No court would even hold a usury law unconstitutional even if every member of it believed that Jeremy Bentham had said the last word on that subject and had shown for all time that such laws did more harm than good." *Otis* v. *Parker,* 187 U. S., 606, 609. See Hand, 21 Harv. L. Rev., 495, 502, n. 2. *Griffith* v. *Connecticut,* 218 U. S., 563.

EQUITY POWERS TO DEFEAT COERCIVE CONTRACTS.

"There is great reason and justice in this rule [that a mortgagee can never provide at the time of making the loan for any event or condition in which the equity of redemption shall be discharged and the conveyance absolute], for necessitous men are not, truly speaking, free men, but, to answer a present exigency, will submit to any terms that the crafty may impose upon them." Lord Chancellor Nothington in *Vernon* v. *Bethell*, 2 Eden, 110, 113.

RAILROAD RATES.

Don v. *Beidelman*, 125 U. S., 680.
Smyth v. *Ames*, 171 U. S., 361, 365.
L. & N. R. R. Co. v. *Mottley*, 219 U. S., 467.

OTHER FEATURES OF RAILROAD CONTRACTS WITH SHIPPERS.

Atlantic Coast Line v. *Riverside*, 219 U. S., 186 (Carmack amendment).

RATES ON OTHER ENTERPRISES.

Munn v. *Illinois*, 94 U. S., 113 (grain elevators).
Brass v. *North Dakota*, 153 U. S., 391 (same).

INSURANCE.

Orient Insurance Co. v. *Daggs*, 172 U. S., 557 (statute constitutional which prohibited contract that Insurance Co. should not be liable for more than real value of the property).

OTHER TERMS OF INSURANCE CONTRACTS.

German Alliance Ins. Co. v. *Kansas*, 233 U. S., 389 (fire insurance).

SEAMEN.

Patterson v. *Bark Eudora*, 190 U. S., 169 (advance of wages).

MINORS.

Sturges Co. v. *Beauchamp*, 231 U. S., 320.

INDIANS.

Taylor v. *Brown*, 147 U. S., 640.
Williams v. *Johnson*, 239 U. S., 414.

EMPLOYMENT AGENCIES.
Brazee v. *Michigan*, 241 U. S., 340.

ATTORNEY'S FEES.
Frisbie v. *United States*, 157 U. S., 160, 165.

TELEGRAPH COMPANY'S LIABILITY FOR NEGLIGENCE.
Western Union Tel. Co. v. *Com. Milling Co.*, 218 U. S., 406.

The largest opportunity for the fullest development of men's faculties has undoubtedly been one of the basic considerations of Anglo-American institutions. To the extent that such development touches fundamentals, this political principle is incorporated in the protection of due process (see *Butler* v. *Perry*, 240 U. S., 328, 333). But just because the largest opportunities for development of men's faculties implies choice and freedom, within the circumscribed range of human freedom, the common law in both phases of its legal functions, namely, through adjudication and legislation, has thrown its weight in favor of the necessitous and conversely has sanctioned, as the proper function of law, the curbing of the "avaricious" and the "malevolently inclined." The principle has been briefly and comprehensively expressed by Lord Chancellor Nothington when he said that "necessitous men are not, truly speaking, free men" (*Vernon* v. *Bethell*, 2 Eden, 110, 113 *supra*).

The "liberty of contract" which the present legislation would destroy is only the "liberty" of an employer to abuse and the "liberty" of an employee to be abused. True freedom of contract is established, rather than impaired, by such restrictions. Their very purpose is to assure the parties an equal basis for bar-

gaining, so that they may be *free* to bargain on the merits, and not under the compulsion of a crippling necessity. With no margin or the margin of but a single meal between starvation there can be no true liberty of contract. (As to conditions in Oregon, see Part Two, pp. 364-366.)

Eighth.—It is not arbitrary, wanton or a spoliation for the State to require the consent of the Commission before allowing wage contracts at below cost, because that is a reasonable exercise of the State power to minimize danger of unfair and oppressive contracts.

We have seen above (p. A23) that the only satisfactory explanation of Stettler's interest is on the hypothesis that he wishes to get the labor at less than the cost of the human energy which produces the product.

Also we have seen that about half of the women workers of Oregon are receiving less than their cost (p. A11 and Part Two, p. 383), even though they are experienced adult workers.

Is not the likelihood of unfair contracts thus shown (and inherent in the very proposition that such human labor cannot produce its cost) sufficient to justify the State in requiring prior consent of its Commission before they may be made?

There are many cases, of course, in which the legislative power to prevent unfair or oppressive contracts is upheld.

For example: It is constitutional to protect people from exploitation by lotteries (*Lottery Cases,* 188 U. S., 321), bulk sales (*Lemieux* v. *Young,* 211 U. S., 489), billiard halls (*Murphy* v. *Cal.,* 225 U. S., 623), marginal

dealing in stocks (*Otis* v. *Parker*, 187 U. S., 606), trading stamps (*Rast* v. *Van Deman*, 240 U. S., 342), imitation of butter (*Hammond Co.* v. *Montana*, 233 U. S., 331), small bread loaves (*Schmidinger* v. *Chicago*, 226 U. S., 579), sales of lard in bulk (*Armour* v. *N. Dak.*, 240 U. S., 510).

All of these are instances in which unrestricted "demand and supply" has been validly limited by legislation in the interest of fair and ethical dealing.

Ninth.—It is not arbitrary, wanton or a spoliation for the state to require the consent of the Commission before allowing wage contracts at below cost, because that is a reasonable exercise of the State power to foster the productivity of industry.

The very preservation of the State and its citizens depends upon the efficiency of its industries to carry the cost of living. That is the primary function of industry. No industry which fails to supply even the bare minimum living requirements of its own workers can possibly be sound. Such an industry instead of aiding in the work of supporting life can be only a burden upon it by precisely the amount of subsidy which it drains from other industries.

The fundamental policy represented by this act is the prevention of taxation upon sound industries for the artificial support of unsound ones, and the correlative direction of the energies of the State into lines which can be truly productive. Its purpose is to compel those industries which now are parasites either to make themselves self-supporting through higher efficiency or to discontinue.

The present war and the consequent legislation

in England and Germany and France emphasize, but were not required to reveal, that the strength and the safety of the State rests on man-power, which means the development and the directed organization of the working forces of the community. From this aspect this statute of Oregon takes only a short first step in requiring industry to provide, as a very minimum, the living necessities of its own workers, particularly the workers that either are the younger workers of this generation or the mothers of the next.

This is a measure of conservation and preservation of the human resources of the State, which is of even deeper and more primary importance to human self-preservation than the conservation of the natural resources. And so its constitutionality follows *a fortiori* from the line of cases which support statutes passed for the preservation and effective utilization of the natural resources.

Hudson Water Co. v. *McCarter,* 209 U. S., 349 (sustaining New Jersey statute preventing diversion of State waters).

Mount Vernon Cotton Co. v. *Alabama Power Co.,* 240 U. S., 30 (sustaining Alabama statute conferring the power of eminent domain to private users of water power).

> "To gather the streams from waste and to draw from them energy, labor without brains, and so to save mankind from toil that it can be spared, is to supply what, next to intellect, is the very foundation of all our achievements and all our welfare. If that purpose is not public we should be at a loss to say what is" (p. 32).

Pacific Live Stock Co. v. *Oregon Water Board,* 241 U. S., 440 (sustaining Oregon statute regulating relative rights of claimants to water, and imposing the expense of the administrative ascertainment on the parties).

That industrial preparedness lies at the very root of national preparedness is by this time the accepted conviction of all parties and of the entire country. That conviction has begun to express itself in national legislation. The establishment by Congress of the Council of National Defense (39 Stat., 649) is the creation of a national agency to survey and further the industrial resources of the country.

> "But the general effect of such a plan in operation will be to produce more healthful and harmonious relations between Government and business, and to give to the great industrial and commercial enterprises of the country a national and patriotic aspect, which will both keep the country prepared, should emergency arise, and stimulate sound business and industrial methods throughout the country." (Report of Secretary of War, 1916, p. 37.)

Industrial resources mean, of course, men and money, the physical resources which are the industrial plants of the country, and the human resources constituting the managers and the millions of workers. To discharge the responsibility which each State has for the competence of its quota of workers, Oregon has laid down minimum standards, of which this case presents one.

Even if the Act had gone beyond the mere protective necessity into the realm of affirmative public welfare, it would still have been constitutional within the principle broadly laid down in *Bacon* v. *Walker,* 204 U. S., 311:

> "That power [the police power] is not confined, as we have said, to the suppression of what is offensive, disorderly or unsanitary. It extends to so dealing with the conditions which exist in the State as to bring out of them the greatest welfare of its people" (p. 318).

Industry under modern conditions has come to be one of the most important fields in which the interrelation of human beings requires supervision and control by the State. To-day the center of gravity of the State is industry, just as in feudal days it was land. The common law met the demands of the feudal period by working out the incidence of feudal tenure as a body of reciprocal liabilities between lord and man flowing from the relationship of tenure. In fact, the conception of rights and liabilities as dependent on relationship rather than assumed by contract (*i. e.*, the unregulated desire of individuals) is at the very center of the whole common law system. All that is necessary is to recognize these true common law principles, to recognize the common law concept of relation, and to make the detailed application in the change from an agricultural to an industrial society. This harmonizes modern decisions and legislation, and makes them consistent with a true conception of our inherited common law. (See Dean Pound's "The End of Law as Developed in Juristic Thought," in 30 Harv. L. Rev., 201, 212 ff.; Edward A. Adler, Business Jurisprudence, 28 Harv. L. Rev., 135; Capital, Labor and Business at Common Law, 29 Harv. L. Rev., 241.)

The adjustment of relations under the feudal system required a most elaborate regulation of real property tenure and transfer. The law was flexible enough to

meet that requirement and express it in a great body of rules (case-made and statute made) which constitutes the law of real property.

This ability of the community to modify the legal rules which represented prior community standards must still remain for the purpose of making similar changes, *pari passu,* with further evolution of such standards. No one could have thought that such changes were arbitrary, wanton or spoliative, that is, other than due process of law. On the contrary, the scope of such judicial and legislative power as part of the whole scheme of Anglo-American law inheres in that legislative power which underlies the Fourteenth Amendment, and was not intended to be restricted by it. In other words, it is of the very essence of the common law system—including the minor judicial and the major legislative modifications—to regard the law-making energies of the State as progressive activities to meet needed changes.

> "It is more consonant to the true philosophy of our historical legal institutions to say that the spirit of personal liberty and individual right which they embodied was preserved and developed by progressive growth and wise adaptation to new circumstances and situations of the forms and processes found fit to give, from time to time new expression and greater effect to modern ideas of self government.
>
> "This flexibility and capacity for growth and adaptation is the peculiar boast and excellence of the common law. . . .
>
> "The Constitution of the United States was ordained it is true by descendants of Englishmen, who inherited the traditions of English law and history; but it was made for an undefined and expanding future, and for a people gathered and to be gathered from many nations and of many tongues. . . .

> There is nothing in Magna Charta, rightly construed as a broad charter of public right and law, which ought to exclude the best ideas of all systems and of every age; and as it was the characteristic principle of the common law to draw its inspiration from every fountain of justice, we are not to assume that the sources of its supply have been exhausted. On the contrary, we should expect that the new and various experiences of our own situation and system will mold and shape it into new and not less useful form." (*Hurtado* v. *California*, 110 U. S., 516, 530-1; see also *Holden* v. *Hardy*, 169 U. S., 366, 385-387.)

We are here dealing with an exercise of the same public power as that of the common law regarding land tenure. With its exercise in the past we are familiar; its unsettled application to the needs of a changing present gives an illusion of novelty to the new exercise of an old power. This novelty must not be allowed to deceive; the unfamiliar must not now, any more than in the past, be denied as "unconstitutional." New circumstances call for new effort, and the Fourteenth Amendment has left unimpeded the power of conscientious statesmanship to grapple with new difficulties.

Respectfully submitted,

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January, 1917.

PART FIRST.

Legislation Providing for the Establishment of a Minimum Wage for Women.

I. THE FOREIGN LEGISLATION.

In 1894 the first minimum wage legislation—the Industrial Conciliation and Arbitration Act—was enacted in New Zealand. This law is designed primarily for the settlement of industrial disagreements, involving strikes and lockouts. It provides for a Council of Arbitration, composed of representatives of employers and employees with a permanent industrial commissioner as chairman. Cases of disagreement are referred to the Arbitration Court for final decision. The Court is composed of one judge of the Supreme Court and two members nominated by employers and employees. Among its provisions, the law authorizes the Court to fix a minimum rate of wages.

Following the action of New Zealand, similar legislation was enacted by New South Wales in 1901, by Western Australia in 1902, and by the Australian Commonwealth in 1904 for disagreements extending beyond state lines.

In 1896 the first act providing for special boards to fix minimum wages in any trade was enacted in Victoria. This type of legislation was later followed by South Australia in 1900, by Queensland in 1908, and by Tasmania in 1910.

In 1909 the first act establishing wage boards modelled upon the Victorian legislation was enacted in Great Britain.

The act applied immediately to four trades: ready-made and wholesale bespoke tailoring and certain retail bespoke branches; cardboard boxmaking; the making of hammered, dollied, or tommied chain; and machine made lace and net finishing. In 1913 wage boards were established in four additional trades: sugar confectionery and food preserving, including any branch of making cocoa, chocolate, jams and fruit preserving, sauces and pickles, preserved meats, fish and vegetables; shirt making, including pajamas, aprons and other washable clothing for men; hollow ware, including tin boxes, and metal hollow ware; and cotton embroidery.

VICTORIA.

Factories and Shops Act, 1912 (No. 2386 and No. 2447). Special Boards.

Appointment of Boards.

133. (2) Where a resolution is or has been passed by both Houses of Parliament declaring that it is expedient to appoint any Special Board to determine the lowest prices or rates which may be paid to any person or persons or classes of persons employed anywhere in Victoria (whether in a factory or not) in any process trade business or occupation or any group thereof specified in the resolution or where any Special Board has prior to the commencement of this Act been appointed for any process trade business or occupation or any group thereof, the Governor in Council may if he thinks fit from time to time—

(*a*) appoint one or more Special Boards for any one of such processes, trades businesses, or occupations or for any branch or branches thereof or for any group or groups thereof. . . .

(6) Each Special Board shall consist of not less than four nor more than ten members and a chairman.

136. (1) One-half of the members of a Special Board shall be appointed as representatives of employers and one-half as representatives of employees.

137. (1) Before appointing the members of any Special Board the Minister may by notice published in the *Government Gazette* nominate persons as representatives of employers and representatives of employees to be appointed as members of such Special Board.

Powers of Boards.

140. (1) (Act 2386.) The members of a Special Board shall within fourteen days after their appointment nominate in writing some person (not being one of such members) to be Chairman of such Special Board, and such person shall be appointed by the Governor in Council to such office.

141. Every Special Board in accordance with the terms of its appointment—

(*a*) shall determine the lowest prices or rates of payment payable to any person or persons or classes of persons employed in the process, trade business, or occupation specified in such appointment. Such prices or rates of payment may be fixed at piece-work prices or at wages rates or both as the Special Board thinks fit.

148. Where it appears to be just and expedient special wages rates may be fixed for aged infirm or slow workers by any Special Board.

Determinations.

164. Any price or rate determined by any Special Board shall from a date (not being within thirty days of such Determination) fixed by such Board, be and remain in force until amended by a Determination of such Special Board; but such Determination may at any time be amended or revoked by the Court of Industrial Appeals.

165. (1) The Determination of any Special Board shall be signed by the Chairman thereof and published in

the *Government Gazette* and shall apply to the area or locality (including the whole or any part or parts of Victoria) defined by the Governor in Council as the area or locality within which the Determination of such Special Board shall be operative.

Suspension of Determination.

172. (1) Notwithstanding anything contained in this Act the Governor in Council may at any time for such period or periods as he thinks fit not exceeding six months in the whole by Order published in the *Government Gazette* suspend the operation of the Determination of any Special Board. When the operation of any Determination (whether published in the *Government Gazette* or not) is so suspended it shall be the duty of such Special Board to forthwith hear, receive and examine evidence as to such Determination, and thereupon such Special Board may either adhere to the said Determination or may make such amendments therein as to such Board seems proper.

Court of Industrial Appeals.

174. (1) There shall be a Court of Industrial Appeals for deciding all appeals against a Determination of a Special Board and for dealing with any Determination of a Special Board referred to the Court by the Minister.

(2) The Court of Industrial Appeals shall consist of any one of the Judges of the Supreme Court; and the said Judges shall arrange which of them shall for the time being constitute the Court of Industrial Appeals.

175. Where any Determination made by a Special Board either before or after the commencement of this Act is being dealt with by the Court, such Court shall consider whether the Determination appealed against has had or may have the effect of prejudicing the progress, maintenance of or scope of employment in the trade or industry affected by any such price or rate; and if of opinion that it has had or may have such effect the Court shall make such alterations as in its opinion may be

necessary to remove or prevent such effect and at the same time to secure a living wage to the employees in such trade or industry who are affected by such Determination.

176. (1) Notwithstanding anything contained in this Act a majority of the representatives of employers or a majority of the representatives of employees on any Special Board or any employer or group of employers who employ not less than twenty-five per centum of the total number of the workers in any trade or twenty-five per centum or more of the workers in any trade, may at any time in the prescribed manner appeal against such Determination to the Court. For the purposes of this subsection the Court shall accept the records given by the Chief Inspector in his latest annual report.

(2) The Minister may without appeal at any time after the making of a Determination by a Special Board refer such Determination for the consideration of the Court and may also refer any appeal made as hereinbefore provided for the consideration of the Court.

GREAT BRITAIN.

Trade Boards Act. (9 Edw. VII, Chap. 22.)

1.—(2) The Board of Trade may make a Provisional Order applying this Act to any specified trade to which it does not at the time apply if they are satisfied that the rate of wages prevailing in any branch of the trade is exceptionally low, as compared with that in other employments, and that the other circumstances of the trade are such as to render the application of this Act to the trade expedient.

(4) The Board of Trade may submit to Parliament for confirmation any Provisional Order made by them in pursuance of this section, but no such Order shall have effect unless and until it is confirmed by Parliament.

2.—(1) The Board of Trade shall, if practicable, establish one or more Trade Boards constituted in accord-

ance with regulations made under this Act for any trade to which this Act applies or for any branch of work in the trade.

Where a Trade Board is established under this Act for any trade or branch of work in a trade which is carried on to any substantial extent in Ireland, a separate Trade Board shall be established for that trade or branch of work in a trade in Ireland.

Minimum Rates of Wages.

4.—(1) Trade Boards shall, subject to the provisions of this section, fix minimum rates of wages for timework for their trades (in this Act referred to as minimum time-rates), and may also fix general minimum rates of wages for piecework for their trades (in this Act referred to as general minimum piece-rates), and those rates of wages (whether time- or piece-rates) may be fixed so as to apply universally to the trade, or so as to apply to any special process in the work of the trade or to any special class of workers in the trade, or to any special area.

(2) Before fixing any minimum time-rate or general minimum piece-rate, the Trade Board shall give notice of the rate which they propose to fix and consider any objections to the rate which may be lodged with them within three months.

5.—(2) Upon the expiration of six months from the date on which a Trade Board have given notice of any minimum time-rate or general minimum piece-rate fixed by them, the Board of Trade shall make an order (in this Act referred to as an obligatory order) making that minimum rate obligatory in cases in which it is applicable on all persons employing labour and on all persons employed, unless they are of opinion that the circumstances are such as to make it premature or otherwise undesirable to make an obligatory order, and in that case they shall make an order suspending the obligatory operation of the rate (in this Act referred to as an order of suspension).

(3) Where an order of suspension has been made as respects any rate, the Trade Board may, at any time after the expiration of six months from the date of the order, apply to the Board of Trade for an obligatory order as respects that rate; and on any such application the Board of Trade shall make an obligatory order as respects that rate, unless they are of opinion that a further order of suspension is desirable, and, in that case, they shall make such a further order, and the provisions of this section which are applicable to the first order of suspension shall apply to any such further order.

An order of suspension as respects any rate shall have effect until an obligatory order is made by the Board of Trade under this section.

6.—(1) Where any minimum rate of wages fixed by a Trade Board has been made obligatory by order of the Board of Trade under this Act, an employer shall, in cases to which the minimum rate is applicable, pay wages to the person employed at not less than the minimum rate clear of all deductions, and if he fails to do so shall be liable on summary conviction in respect of each offence to a fine not exceeding twenty pounds and to a fine not exceeding five pounds for each day on which the offence is continued after conviction therefor.

(2) On the conviction of an employer under this section for failing to pay wages at not less than the minimum rate to a person employed, the court may by the conviction adjudge the employer convicted to pay, in addition to any fine, such sum as appears to the court to be due to the person employed on account of wages, the wages being calculated on the basis of the minimum rate, but the power to order the payment of wages under this provision shall not be in derogation of any right of the person employed to recover wages by any other proceeding.

(3) If a Trade Board are satisfied that any worker employed, or desiring to be employed, on time work in any branch of a trade to which a minimum time-rate fixed by the Trade Board is applicable is affected by any in-

firmity or physical injury which renders him incapable of earning that minimum time-rate, and are of opinion that the case cannot suitably be met by employing the worker on piece-work, the Trade Board may, if they think fit, grant to the worker, subject to such conditions, if any, as they prescribe, a permit exempting the employment of the worker from the provisions of this Act rendering the minimum time-rate obligatory.

Constitution, Proceedings, etc., of Trade Boards.

11.—(1) The Board of Trade may make regulations with respect to the constitution of Trade Boards which shall consist of members representing employers and members representing workers (in this Act referred to as representative members) in equal proportions and of the appointed members.

(2) Women shall be eligible as members of Trade Boards as well as men.

(3) The representative members shall be elected or nominated, or partly elected and partly nominated as may be provided by the regulations, and in framing the regulations the representation of home workers on Trade Boards shall be provided for in all trades in which a considerable proportion of home workers are engaged.

(4) The chairman of a Trade Board shall be such one of the members as the Board of Trade may appoint, and the secretary of the Trade Board shall be appointed by the Board of Trade.

12.—(1) A Trade Board may establish district trade committees consisting partly of members of the Trade Board and partly of persons not being members of the Trade Board but representing employers or workers engaged in the trade and constituted in accordance with regulations made for the purpose by the Board of Trade. . . .

(3) A Trade Board may refer to a district trade committee for their report and recommendations any matter which they think is expedient so to refer, and may also,

if they think fit, delegate to a district trade committee any of their powers and duties under this Act, other than their power and duty to fix a minimum time-rate or general minimum piece-rate.

(4) Where a district trade committee has been established for any area, it shall be the duty of the committee to recommend to the Trade Board minimum time-rates and, so far as they think fit, general minimum piece-rates, applicable to the trade in that area, and no such minimum rate of wages fixed under this Act and no variation or cancellation of such a rate shall have effect within that area unless either the rate or the variation or cancellation thereof, as the case may be, has been recommended by the district trade committee, or an opportunity has been given to the committee to report thereon to the Trade Board, and the Trade Board have considered the report (if any) made by the committee.

13.—(1) The Board of Trade may appoint such number of persons (including women) as they think fit to be appointed members of Trade Boards.

(2) Such of the appointed members of Trade Boards shall act on each Trade Board or district trade committee as may be directed by the Board of Trade, and, in the case of a Trade Board for a trade in which women are largely employed, at least one of the appointed members acting shall be a woman:

Provided that the number of appointed members acting on the same Trade Board, or the same district trade committee, at the same time, shall be less than half the total number of members representing employers and members representing workers.

II. THE AMERICAN LEGISLATION.

Arkansas.

Enacted in 1915 (Chapter 191). Act to Safeguard the Health and Establish a Minimum Wage for Females in the State of Arkansas.

Be it enacted by the General Assembly of the State of Arkansas:

Be it enacted by the People of the State of Arkansas:

Section 1.—That no females shall be employed in any manufacturing, mechanical or mercantile establishment, laundry, or by an express or transportation company, in this State, for more than nine hours in any one day, or more than six days, or more than fifty-four hours in any one week; provided, however, that the present law governing the employment of children under sixteen years of age shall not be repealed by this Act.

Sec. 2.—That no female under eighteen years of age shall be employed or permitted to work in, or in connection with, any of the establishments or occupations named in section 1 of this Act before the hour of 7 o'clock in the morning, or after the hour of 9 o'clock in the evening of any one day.

Sec. 3.—That no female shall be employed or permitted to work for more than six hours continuously at one time in any establishment or occupation named in section 1 of this Act, in which three or more females are employed, without any interval of at least three-quarters of an hour, except that such female may be so employed for not more than six and one-half hours continuously at one time if such employment ends not later than half past 1 o'clock in the afternoon, and if she is then dismissed for the remainder of the day. The time allowed for noon luncheon shall not be less than three-quarters of an hour.

Sec. 4.—That every employer shall post and keep posted in a conspicuous place in every room in any establishment or occupation named in section 1 of this Act

in which females are employed, a printed notice stating the number of hours such females are required or permitted to work on each day of the week, the hours of beginning and ending, the recess allowed for meals. The printed form of such notice shall be furnished upon application, by the Commissioner of Labor and Statistics. The employment of any such female for longer time in any one day than that stated in a printed notice shall be deemed a violation of the provisions of this section. Where the nature of the business makes it impracticable to fix the recess allowed for meals at the same time for all females employed, the Commissioner of Labor and Statistics may issue a permit dispensing with the posting of the hours when the recess for meals begins and ends, and requiring the posting of only the total number of hours that females are required or permitted to work on each day of the week and the hours of beginning and stopping such work. Such permit shall be kept by such employer upon such premises and exhibited to all inspectors authorized to enforce this Act.

Sec. 5.—That every employer shall keep a time book or record of every female employed in any establishment or occupation named in section 1 of this Act stating the wages paid, the number of hours worked by her on each day of the week, the hours of beginning and ending such work and the hours of beginning and ending the recess allowed for meals. Such time books or record shall be open at all reasonable hours to the inspection of the officials authorized to enforce this Act. Any employer who fails to keep such record as required by this section, or makes any false statement therein, or refuses to exhibit such time book or record, or makes a false statement to any official authorized to enforce this Act in reply to any question put in carrying out the provisions of this Act shall be liable for violation thereof.

Sec. 6.—The Commissioner of Labor and Statistics, or any person duly authorized by him, may, in the discharge of their duties, enter any establishment or occupation where females are employed mentioned in section 1 of this Act as often as practicable during reasonable

hours and shall cause the provisions of this Act to be enforced therein, and have full police power in enforcing compliance therewith.

Sec. 7.—That it shall be unlawful for any employer of labor mentioned in section 1 of this Act to pay any female worker in any establishment or occupation less than the wage specified in this section, towit, except as hereinafter provided: All female workers who have had six months' practicable experience in any line of industry or labor shall be paid not less than $1.25 per day. The minimum wage for inexperienced female workers who have not had six months experience in any line of industry or labor shall be paid not less than $1.00 per day, provided, that any inexperienced female workers or apprentices shall be given a certificate by their employers showing the amount of experience they have had and all time served as inexperienced workers, or apprentices shall be cumulative. All female workers working less than nine hours per day shall receive the same wages per hour as those working nine hours per day.

Sec. 8.—That whenever it can be shown beyond question of doubt that it would work irreparable injury to any industry engaged in handling products, such as canning factories and candy factories, to comply with the provisions of this Act, regarding hours, a commission, consisting of the Commissioner of Labor and Statistics and two competent women, to be appointed, one by the Governor, and the other by the State Commissioner of Labor and Statistics, may by majority vote, after hearing duly held in which all interested parties may have been duly heard, permit such industry to operate more than nine hours per day, provided that women employed are paid at the rate of time and one-half for hours worked in excess of nine hours in any one day; provided, however, that said period in which overtime may be worked shall not exceed 90 days in any one year.

Sec. 9.—All females employed in any industry in this State, who are paid upon a piece-work basis, bonus sys-

tem, or any other manner than by the day, shall be paid not less than the rate per day herein specified for female employees who are working on the day rate system, and a commission, consisting of the Commissioner of Labor and Statistics, and two competent women, one to be appointed by the Governor, and one by the Commissioner of Labor and Statistics, shall investigate, upon complaint, any line of industry wherein females are employed and if in their judgment said system of piecework is working an injury to the general health of the employees, they may, after hearing, duly held, issue an order compelling said firm to abolish piece work, or any other injurious system, and establish a daily rate of wages for all female employees, said rate not to be less than the rate specified in section 7 of this Act.

Sec. 10.—Provided, however, that if said commission should find, after an investigation that a lower minimum rate of wages is adequate to supply a woman, or minor female worker engaged in any occupation, trade or industry, the necessary cost of proper living, and to maintain the health and welfare of such woman, or minor female workers, may, after a public hearing, duly held, at which time all interested employers and employees are given a reasonable opportunity to present their arguments, issue an order establishing a minimum wage rate that in their judgment is reasonable, and said rate so established shall be the legal minimum wage in the industry or occupation affected, and should said commission find after said investigation that the minimum wage specified in section 7 in this Act is insufficient to adequately supply a woman or minor female worker engaged in any occupation, trade or industry, the necessary cost of proper living and to maintain the health and welfare of such woman or other female worker, may, after public hearing duly held, at which time all interested parties are given a reasonable opportunity to present their argument, issue an order establishing a higher minimum wage for female workers that in the judgment of the commission, is reasonable, and said minimum wage rate so established by said commission shall be the legal minimum wage in the industry or occupation affected.

SEC. 11.—Said commission, after a public hearing duly held, at which all interested persons are given an opportunity to present arguments, may establish regulations governing the employment of females in hotels, restaurants and telephone establishments; provided, said rules and regulations shall not permit female workers to be employed in excess of nine hours im any one day, nor at a lower rate of wages than will supply said female employees the cost of proper living, and safeguard their health and welfare. The rate of wages established by the commission shall not be greater than the rate of wages specified in section 7.

SEC. 12.—That any person, or persons, company or corporation, who violates the provisions of this Act, or does not comply with the provisions of this Act, shall, upon conviction in any court of competent jurisdiction, be punished by a fine of not less than $25 nor more than $100 and each day of noncompliance shall constitute a separate offense.

SEC. 13.—Should any section or sections of this Act be held invalid by the courts, it shall not thereby be understood as affecting, and shall not affect, the other provisions of this Act; provided, that no part of this bill shall apply to any firm, corporation, or establishment of any character, where three or less females are employed and working at the same time; provided, the provisions of this Act shall not apply to the cotton factories, or the preservation of fruits and perishable farm products, or gathering the same in Arkansas. Provided, this Act shall not apply to establishments working three or less employees in the same building at the same time doing the same class of work.

SEC. 14.—All laws and parts of laws in conflict with this law are hereby repealed, and this law being necessary for the immediate public peace, health and safety, an emergency is hereby declared to exist, and this Act shall take effect and be in force from and after its passage.

California.

Enacted in 1913. (*Chapter 324.*) *Amended in 1915.* (*Chapter 571.*)

An Act regulating the employment of women and minors and establishing an industrial welfare commission to investigate and deal with such employment, including a minimum wage; providing for an appropriation therefor and fixing a penalty for violations of this act.

The People of the State of California do enact as follows:

Section 1.—There is hereby established a commission to be known as the industrial welfare commission, hereinafter called the commission. Said commission shall be composed of five persons, at least one of whom shall be a woman, and all of whom shall be appointed by the governor as follows: two for the term of one year, one for the term of two years, one for the term of three years, and one for the term of four years; *provided, however,* That at the expiration of their respective terms, their successors shall be appointed to serve a full term of four years. Any vacancies shall be similarly filled for the unexpired portion of the term in which the vacancy shall occur. Three members of the commission shall constitute a quorum. A vacancy on the commission shall not impair the right of the remaining members to perform all the duties and exercise all the powers and authority of the commission.

Sec. 2.—The members of said commission shall draw no salaries but all of said members shall be allowed ten dollars per diem while engaged in the performance of their official duties. The commission may employ a secretary, and such expert, clerical and other assistants as may be necessary to carry out the purposes of this act, and shall fix the compensation of such employees, and may, also, to carry out such purposes, incur reasonable and necessary office and other expenses, including the

necessary traveling expenses of the members of the commission, of its secretary, of its experts, and of its clerks and other assistants and employees. All employees of the commission shall hold office at the pleasure of the commission.

SEC. 3.—(*a*) It shall be the duty of the commission to ascertain the wages paid, the hours and conditions of labor and employment in the various occupations, trades, and industries in which women and minors are employed in the State of California, and to make investigations into the comfort, health, safety and welfare of such women and minors.

(*b*) It shall be the duty of every person, firm or corporation employing labor in this state:

1. To furnish to the commission, at its request, any and all reports or information which the commission may require to carry out the purposes of this act, such reports and information to be verified by the oath of the person, or a member of the firm, or the president, secretary, or manager of the corporation furnishing the same, if and when so requested by the commission or any member thereof.

2. To allow any member of the commission, or its secretary, or any of its duly authorized experts or employees, free access to the place of business or employment of such person, firm, or corporation, for the purpose of making any investigation authorized by this act, or to make inspection of, or excerpts from, all books, reports, contracts, pay rolls, documents, or papers of such person, firm or corporation relating to the employment of labor and payment therefor by such person, firm or corporation.

3. To keep a register of the names, ages, and residence addresses of all women and minors employed.

(*c*) For the purposes of this act, a minor is defined to be a person of either sex under the age of eighteen years.

SEC. 4.—The commission may specify times to hold public hearings, at which times, employers, employees, or other interested persons, may appear and give testimony as to the matter under consideration. The commission or any member thereof shall have power to subpoena witnesses and to administer oaths. All witnesses subpoenaed by the commission shall be paid the fees and mileage fixed by law in civil cases. In case of failure on the part of any person to comply with any order of the commission or any member thereof, or any subpoena, or upon the refusal of any witness to testify to any matter regarding which he may lawfully be interrogated before any wage board or the commission, it shall be the duty of the superior court or the judge thereof, on the application of a member of the commission, to compel obedience in the same manner, by contempt proceedings or otherwise, that such obedience would be compelled in a proceeding pending before said court. The commission shall have power to make and enforce reasonable and proper rules of practice and procedure and shall not be bound by the technical rules of evidence.

SEC. 5.—If, after investigation, the commission is of the opinion that, in any occupation, trade, or industry, the wages paid to women and minors are inadequate to supply the cost of proper living, or the hours or conditions of labor are prejudicial to the health, morals or welfare of the workers, the commission may call a conference, hereinafter called "wage board", composed of an equal number of representatives of employers and employees in the occupation, trade, or industry in question, and a representative of the commission to be designated by it, who shall act as the chairman of the wage board. The members of such wage board shall be allowed five dollars per diem and necessary traveling expenses while engaged in such conferences. The commission shall make rules and regulations governing the number and selection of the members and the mode of procedure of such wage board, and shall exercise exclusive jurisdiction over all questions arising as to the validity of the board. The proceedings and deliberations of such wage

procedure and of the recommendations of such wage board shall be made a matter of record for the use of the commission, and shall be admissible as evidence in any proceedings before the commission. On request of the commission, it shall be the duty of such wage board to report to the commission its findings, including therein:

1. An estimate of the minimum wage adequate to supply to women and minors engaged in the occupation, trade or industry in question, the necessary cost of proper living and to maintain the health and welfare of such women and minors.

2. The number of hours of work per day in the occupation, trade or industry in question, consistent with the health and welfare of such women and minors.

3. The standard conditions of labor in the occupation, trade or industry in question, demanded by the health and welfare of such women and minors.

Sec. 6.—(*a*) The commission shall have further power after a public hearing had upon its own motion or upon petition, to fix:

1. A minimum wage to be paid to women and minors engaged in any occupation, trade or industry in this state, which shall not be less than a wage adequate to supply to such women and minors the necessary cost of proper living and to maintain the health and welfare of such women and minors.

2. The maximum hours of work consistent with the health and welfare of women and minors engaged in any occupation, trade or industry in this state; *provided*, That the hours so fixed shall not be more than the maximum now or hereafter fixed by law.

3. The standard conditions of labor demanded by the health and welfare of the women and minors engaged in any occupation, trade or industry in this state.

(*b*) Upon the fixing of a time and place for the holding of a hearing for the purpose of considering and act-

ing upon any matters referred to in subsection (*a*) hereof, the commission shall give public notice by advertisement in at least one newspaper published in each of the cities of Los Angeles and Sacramento and in the city and county of San Francisco, and by mailing a copy of said notice to the county recorder of each county in the state, of such hearing and purpose thereof, which notice shall state the time and place fixed for such hearing which shall not be earlier than fourteen days from the date of publication and mailing of such notices.

(*c*) After such public hearing, the commission may, in its discretion, make a mandatory order to be effective in sixty days from the making of such order, specifying the minimum wage for women or minors in the occupation in question, the maximum hours; *provided,* That the hours specified shall not be more than the maximum for women or minors in California, and the standard conditions of labor for said women or minors; *provided, however,* That no such order shall become effective until after April 1, 1914. Such order shall be published in at least one newspaper in each of the cities of Los Angeles and Sacramento and in the city and county of San Francisco, and a copy thereof be mailed to the county recorder of each county in the state, and such copy shall be recorded without charge, and to the labor commissioner who shall send by mail, so far as practicable, to each employer in the occupation in question, a copy of the order, and each employer shall be required to post a copy of such order in the building in which women or minors affected by the order are employed. Failure to mail notice to the employer shall not relieve the employer from the duty to comply with such order. Finding by the commission that there has been such publication and mailing to county recorders shall be conclusive as to service.

Sec. 7.—Whenever wages, or hours, or conditions of labor have been so made mandatory in any occupation, trade or industry, the commission may at any time in its discretion, upon its own motion or upon petition of

either employers or employees, after a public hearing held upon the notice prescribed for an original hearing, rescind, alter or amend any prior order. Any order rescinding a prior order shall have the same effect as herein provided for in an original order.

Sec. 8.—(As amended Ch. 571, Acts 1915.)—(*a*) For any occupation in which a minimum wage has been established, the commission may issue to a woman physically defective by age or otherwise, a special license authorizing the employment of such licensee, for a period of six months, for a wage less than such legal minimum wage; and the commission shall fix a special minimum wage for such person. Any such license may be renewed for like periods of six months.

(*b*) For any occupation in which a minimum wage has been established, the commission may issue to an apprentice or learner, a special license authorizing the employment of such apprentice or learner, for such time and under such conditions as the commission may determine at a wage less than such legal minimum wage; and the commission shall fix a special wage for such apprentice or learner.

(*c*) The commission may fix the maximum number of women, and minors under eighteen years of age, to be employed under the licenses provided for in subdivisions (*a*) and (*b*) of this section in any occupation, trade, industry or establishment in which a minimum wage has been established.

Sec. 9.—Upon the request of the commission, the labor commissioner shall cause such statistics and other data and information to be gathered, and investigations made, as the commission may require. The cost thereof shall be paid out of the appropriations made for the expenses of the commission.

Sec. 10.—Any employer who discharges, or threatens to discharge, or in any other manner discriminates against any employee because such employee has testified or is about to testify, or because such employer be-

lieves that said employee may testify in any investigation, or proceedings relative to the enforcement of this act, shall be deemed guilty of a misdemeanor.

Sec. 11.—(As amended Ch. 571, Act, 1915.)—The minimum wage for women and minors fixed by said commission as in this act provided, shall be the minimum wage to be paid to such employees, and the payment to such employees of a less wage than the minimum so fixed shall be unlawful, and every employer or other person who, either individually or as an officer, agent, or employee of a corporation or other person, pays or causes to be paid to any such employee a wage less than such minimum, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than fifty dollars, or by imprisonment of not less than thirty days, or by both such fine and imprisonment, and every employer or other person who, either individually or as an officer, agent or employee of a corporation, or other persons, violates or refuses or neglects to comply with the provisions of this act, or any orders or rulings of this commission, shall be guilty of a misdemeanor, and upon conviction thereof be punished by a fine of not less than fifty dollars, or by imprisonment for not less than thirty days, or by both such fine and imprisonment.

Sec. 12.—(As amended Ch. 571, Act, 1915.)—In every prosecution for violation of any provision of this act, the minimum wage, the maximum hours of work and the standard conditions of labor fixed by the commission as herein provided, shall be *prima facie* presumed to be reasonable and lawful, and to be the living wage, the maximum hours of work and standard conditions of labor required herein. The findings of fact made by the commission acting within its powers shall, in the absence of fraud, be conclusive; and the determination made by the commission shall be subject to review only in a manner and upon the grounds following: within twenty days from the date of the determination, any party aggrieved thereby

may commence in the superior court in and for the city and county of San Francisco, or in and for the counties of Los Angeles or Sacramento, an action against the commission for review of such determination. In such action a complaint, which shall state the grounds upon which a review is sought, shall be served with the summons. Service upon the secretary of the commission, or any member of the commission, shall be deemed a complete service. The commission shall serve its answer within twenty days after the service of the complaint. With its answer, the commission shall make a return to the court of all documents and papers on file in the matter, and of all testimony and evidence which may have been taken before it, and of its findings and the determination. The action may thereupon be brought on for hearing before the court upon such record by either party on ten days' notice of the other. Upon such hearing, the court may confirm or set aside such determination; but the same shall be set aside only upon the following grounds:

(1) That the commission acted without or in excess of its powers.

(2) That the determination was procured by fraud.

Upon the setting aside of any determination the court may recommit the controversy and remand the record in the case to the commission for further proceedings. The commission, or any party aggrieved, by a decree entered upon the review of a determination, may appeal therefrom within the time and in the manner provided for an appeal from the orders of the said superior court.

Sec. 13.—Any employee receiving less than the legal minimum wage applicable to such employee shall be entitled to recover in a civil action the unpaid balance of the full amount of such minimum wage, together with costs of suit, notwithstanding any agreement to work for such lesser wage.

Sec. 14.—Any person may register with the commission a complaint that the wages paid to an employee for whom a living rate has been established, are less than

that rate, and the commission shall investigate the matter and take all proceedings necessary to enforce the payment of a wage not less than the living wage.

SEC. 15.—The commission shall biennially make a report to the governor and the state legislature of its investigations and proceedings.

SEC. 16.—There is hereby appropriated annually out of the moneys of the state treasury, not otherwise appropriated, the sum of fifteen thousand dollars, to be used by the commission in carrying out the provisions of this act, and the controller is hereby directed from time to time to draw his warrants on the general fund in favor of the commission for the amounts expended under its direction, and the treasurer is hereby authorized and directed to pay the same.

SEC. 17.—The commission shall not act as a board of arbitration during a strike or lock-out.

SEC. 18.—(*a*) Whenever this act, or any part or section thereof, is interpreted by a court, it shall be liberally construed by such court.

(*b*) If any section, subsection, or subdivision of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. The legislature hereby declares that it would have passed this act, and each section, subsection, subdivision, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses or phrases is declared unconstitutional.

SEC. 19.—The provisions of this act shall apply to and include women and minors employed in any occupation, trade or industry, and whose compensation for labor is measured by time, piece or otherwise.

[Approved May 26, 1913.]

Colorado.

*Enacted in 1913. (Chapter 110.)**

An Act providing for the determination of minimum wages for women and minors.

Be it enacted by the General Assembly of the State of Colorado:

Section 1.—There is hereby created a state wage board to be composed of three members; at least one of whom shall be a representative of labor, at least one of whom shall be a woman and one of whom shall be an employer of labor. The members of said board shall be appointed by the governor, immediately upon the taking effect of this act and the term of existence of said board shall be for two years.

Sec. 2.—It shall be the duty of the wage board to inquire into the wages paid to female employees above the age of eighteen years and minor employes under eighteen years of age in any mercantile, manufacturing, laundry, hotel, restaurant, telephone or telegraph business in this state, if the board or any member of it may have reason to believe the wages paid any such employees are inadequate to supply the necessary cost of living, maintain them in health, and supply the necessary comforts of life. The wage board shall also inquire into the cost of living in the locality or localities in which the business is carried on and shall take into consideration the financial condition of the business and the probable effect thereon of any increase in the minimum wage paid in different localities, which inquiry and investigation shall be held in the locality affected. After such investigation it shall be the duty of the wage board to fix the minimum wage, whether by time rate or piece rate, suitable for the female employees over eighteen years of age in such business or in any or all of the branches thereof and also a suitable minimum wage for minors under eighteen years of age employed in the said business. When two or more members of the wage board shall agree upon a minimum wage

* Inoperative since 1915.

determination, the board shall give public notice, by advertisement published once in a newspaper of general circulation in the county or counties in which any such business so affected is located, declaring such minimum wage determination or determinations and giving notice of a public hearing thereon to be heard in the town or city nearest the place wherein the inadequate wage is found to exist; said hearing to be held not earlier than thirty days from the date of such publication. A copy of such notice shall also be mailed to the person, association or corporation engaged in the business affected. After such public hearing or after the expiration of the thirty days, provided no public hearing is demanded, the wage board shall issue an obligatory order to be effective in sixty days from the date of said order, specifying the minimum wages for women or minors or both in the occupation affected, or any branch thereof, and after such order is effective, it shall be unlawful for any employer in said occupation to employ a female over eighteen years of age or a minor under eighteen years of age for less than the rate of wages specified for such female or minor. The order shall be published once in a newspaper of general circulation in the county or counties in which any such business affected is located and a copy of the order shall be sent by mail to the person, association or corporation engaged in said business; and each such employer shall be required to post a copy of said order in a conspicuous place in each building in which women or minors affected by the order are employed.

Sec. 3.—The board shall, for the purposes of this act, have the power to subpoena witnesses and compel their attendance, to administer oaths, and examine witnesses under oath, and to compel the production of papers, books, accounts, documents and records. If any person shall fail to attend as a witness when subpoenaed by the board or shall refuse to testify when ordered so to do, the board may apply to any district court or county court to compel obedience on the part of such person and such district or county court shall thereupon compel obedience

by proceedings for contempt as in case of disobedience of any order of said court.

Sec. 4.—Each witness who shall appear before the board by order of the board shall receive for his attendance the fees and mileage now provided for witnesses in civil cases in the district courts of the state.

Sec. 5.—A full and complete record shall be kept of all testimony taken by, and of all proceedings had before the board.

Sec. 6.—Any employer, employee or other person directly affected by any order of the board fixing and determining a minimum wage in any occupation or industry, shall have the right of appeal from such order to the district court of the state on the ground that such order is unlawful or unreasonable. The evidence considered upon such appeal shall be confined to the evidence presented to the board in the case from the decision in which the appeal is taken, and the order of the board shall remain in full force and effect until such order is reversed or set aside by the district court. In all proceedings in the district court the district attorney shall appear for the board. In all proceedings in the supreme court the attorney-general shall appear for the board.

Sec. 7.—Any person or partnership or corporation employing any female person above the age of eighteen years at less than the minimum wage fixed for such persons by this board, and any person, partnership or corporation employing any person of either sex under the age of eighteen years at less than the minimum wage fixed for such persons by this board, or violating any other provision of this act shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine of not more than one hundred dollars for each offense, or by imprisonment in the county jail for not more than three months or by both fine and imprisonment.

Sec. 8.—Any employer who discharges or in any other manner discriminates against any employee because such

employee has testified, or is about to testify, or because such employer believes that said employee may testify, in any investigation or proceeding relative to the enforcement of this act, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of twenty-five dollars for each such misdemeanor.

Sec. 9.—Justices of the Peace shall have, according to law, jurisdiction within their respective counties of all offenses arising under the provisions of this act.

Sec. 10.—If any employee shall receive less than the minimum wage fixed by this board for employees in the occupation in which said person is employed, he or she shall be entitled to recover in a civil action, the full amount which would have been due said employee if the minimum wage fixed by the board had been paid, together with costs and attorney fees to be fixed by the court, notwithstanding any agreement to work for such lower wage. In such action, however, the employer shall be credited with any wages which have been paid said employee.

Sec. 11.—For any occupation in which a minimum time rate only has been established, the wage board may issue to any female over the age of eighteen, physically defective, a special license authorizing the employment of such licensee for a wage less than the legal minimum wage; Provided, it is not less than the special minimum wage fixed for said person.

Sec. 12.—The wage board shall, by and with the consent of the governor, appoint a secretary who may, or may not be a member of the board, and who shall give his entire time to the duties of the office, whose salary shall be twelve hundred dollars ($1,200.00) per annum, payable monthly. The members of said wage board and the secretary thereof shall be paid all necessary traveling and incidental expenses actually incurred in the performance of their official duties, not to exceed thirteen hundred dollars ($1,300.00) per annum. The board of capitol managers shall provide a suitable room for the

use of said wage board and its secretary. There is hereby appropriated for the payment of the aforesaid salary and expenses, out of any moneys in the state treasury not otherwise appropriated for other ordinary expenses of the departments of the state, the sum of five thousand dollars ($5,000.00); and the auditor of the state is hereby authorized and directed to draw his warrants on said fund upon certified vouchers of the chairman of said board attested by its secretary.

Sec. 13.—The board shall, within thirty days after the convening of the twentieth general assembly, make a report to the governor and to the general assembly, of its investigations and proceedings during the period of its existence, up to and including November 30, 1914.

Sec. 14.—All acts or parts of acts in conflict with any of the provisions of this act are hereby repealed.

[Approved May 14, 1913.]

Kansas.

Enacted in 1915. (*Chapter 275.*)

An Act to establish an industrial welfare commission for women, learners and apprentices, and minors, prescribing its powers and duties and providing for the fixing of wages, hours, and the standard conditions of labor for such workers: providing penalties for violations of the same.

Be it enacted by the Legislature of the State of Kansas:

Section 1.—That the state of Kansas exercising herewith its police and sovereign power declares that inadequate wages, long continued hours and unsanitary conditions of labor, exercise a pernicious effect on the health and welfare of women, learners and apprentices, and minors.

Sec. 2.—That it shall be unlawful to employ women, learners, and apprentices and minors in any industry or occupation within the state of Kansas under conditions of labor detrimental to their health or welfare and it shall be unlawful to employ women, learners, and apprentices and minors in any industry within the state of Kansas at wages which are not adequate for their maintenance and for more hours in any one day than is consonant with their health and welfare, except as hereinafter provided.

Sec. 3.—That there is hereby created a commission to be known as the Industrial Welfare Commission for the state of Kansas to establish such standard of wages, hours, and conditions of labor for women, learners and apprentices, and minors employed within this state as shall be held hereunder to be reasonable and not detrimental to health and welfare. This commission shall consist of the commissioner of labor and two others appointed by the governor. No two of whom shall be from any one congressional district. At least one member of this commission shall be a woman. The first appoint-

ment shall be made within sixty days after the passage of this act. One member shall be appointed to serve until January 1, 1917, a second to serve until January 1, 1918. Thereafter each member shall be appointed for a term of four years and until his successor is appointed and qualifies. The governor shall have the power of removal for cause. Any vacancy that may occur shall be filled in like manner for the unexpired portion of the term. The commission shall have power to elect its own chairman, a secretary, and such other employees as it may require. Two members of the commission shall constitute a quorum at all regular meetings; provided, that no person shall be appointed on such commission, who is related by blood or marriage to the commissioner of labor, or to any state officer, or to any member of any other state board or commission. And no person shall be appointed to any place or position on said commission or be employed by such commission in any way, who is related by blood or marriage to any member thereof, or to any of its chief officers or heads of departments.

Sec. 4.—That each member of the commission shall be paid all traveling and other necessary expenses incurred in the performance of his or her official duties, but shall serve without salary. The commission may incur other necessary expenses not exceeding the appropriation therefor and shall be provided with an office in the state house.

Sec. 5.—That the commission may at its discretion investigate wages, hours and sanitary and other conditions affecting women, learners and apprentices and minors in any industry or occupation in the state. Upon the request of not less than twenty-five persons engaged in any occupation in which women, learners and apprentices and minors are employed, it shall become the duty of the commission to make such investigation as is herein provided. To this end, said commission shall have full power and authority to call for statements and to examine, either through its members or other authorized representatives, all pay-rolls or other wage records of all per-

sons, firms or corporations employing women, learners and apprentices and minors as to any matter that would have a bearing upon the question of wages, hours, or labor conditions of such employees.

SEC. 6.—That every employer of women or of learners and apprentices, or of minors shall keep a register of all such persons employed by him in such form as the commission shall prescribe; and every such employer shall on request permit the commission, or any of its members, or agents to inspect such register.

SEC. 7.—That the commission may hold public hearings at such times and places as it deems fit and proper for the purpose of investigating any matters it is authorized to investigate by this act. At any such public hearings, any employee, or employer or other interested person may appear and give testimony as to wages, hours, sanitation and other pertinent conditions of the occupation or industry under investigation. The commission or any member thereof shall have power to subpoena witnesses, to administer oaths, to compel the production of all wage records, papers, and other evidence, and to make findings and report such findings to the commission; but no order shall be made by less than a majority of the commission. Witnesses subpoenaed by the commission may be allowed such compensation for travel and attendance as the commission may deem reasonable, to an amount not exceeding the usual mileage and per diem allowed by statute to witnesses in civil cases in the district court.

SEC. 8.—That if after investigation the commission is of the opinion that in any occupation the wages, hours and conditions, sanitary and otherwise, are prejudicial to the health or welfare of any substantial number of the classes of employees named in this act and are inadequate to supply the necessary cost of living and to maintain the worker in health it shall establish a wage, hour or sanitary board as the conditions developed may demand, which shall hereinafter be described as the

"board" consisting of not less than three representatives of employers in the occupation in question, of an equal number of persons to represent the employees in the occupation in question, and of one or more disinterested persons appointed by the commission to represent the public, and shall make rules and regulations governing the selection of members and the modes of procedure of the board, and shall exercise exclusive jurisdiction over all questions arising with reference to the validity of the procedure and of the determinations of the board. The members of the board shall be compensated at the same rate as jurors in civil cases in the district court, and they shall be allowed the necessary traveling and clerical expenses incurred in the performance of their duties.

Sec. 9.—That the commission may transmit to each board all pertinent information in its possession relative to the wages, hours and sanitary conditions of the occupation in question. Each board shall endeavor to determine the minimum wage, whether by time-rate or piece-rate, required in the case of a woman worker of ordinary ability in the occupation in question to supply the necessary cost of living and the number of hours and other sanitary conditions necessary to maintain her health, and suitable minimum wages, hours, and sanitary conditions for learners and apprentices, and minors. Provided, however, that such board may recommend different minima hours and standards for each class in an occupation of different localities in the state, when, in the judgment of said board, the different conditions obtaining justify such action. When a majority of the members of a board shall agree upon minimum wage, standard of hours, or sanitary determinations, they shall report such determinations to the commission, together with the reasons therefor and the facts relating thereto.

Sec. 10.—That upon receipt of the report of the determinations of a board, the commission shall consider and review the same; and it may approve any or all of such determinations or disapprove any or all of them;

and it may re-submit to the same board, or a new board, any subject covered by any determinations so disapproved. If the commission approves any determination contained in a report from a board, it shall publish a notice, not less than once a week for four successive weeks in the official state paper, that it will on a date and at a place named in said notice, hold a public meeting at which all persons in favor of or opposed to said recommendations will be given a hearing; and, after said publication of said notice and said meeting, the commission may, in its discretion, make and render such an order as may be proper or necessary to adopt such determinations and carry the same into effect, and require all employers in the occupation affected thereby to observe and comply with such determinations and said order. Said order shall become effective in sixty days after it is made and rendered and shall be in full force and effect on and after the 60th day following its making and rendition. The commission shall, in so far as it is practicable, mail a copy of any such order to every employer affected thereby; and every employer affected by any such order shall keep a copy thereof posted in a conspicuous place in each room in his establishment.

Sec. 11.—That whenever wages, hours, or conditions of labor have been made mandatory in any occupation, upon petition of either employers or employees, the commission may at its discretion re-open the question and re-convene the former board or call a new one, and any determinations made by such board shall be dealt with in the same manner as were the original determinations.

Sec. 12.—That for any occupation in which only a minimum time wage has been established, the commission may issue to an employee physically defective or crippled, or of less than ordinary ability, or learners, apprentices and minors a special license authorizing the employment of such person at a wage and for a number of hours less than that fixed by said commission to be stated in said license.

SEC. 13.—That the word "occupation" as used in this act shall be so construed as to include any and every vocation and pursuit and trade and industry. The words "learners" and "apprentices" shall include only such learners and apprentices as are minors or are women. Any board may make a separate inquiry into and report on any branch of any occupation; and the commission may make a separate order affecting any branch of any occupation. A "minor" shall mean a person, male or female, under 18 years of age. A "woman" shall mean any female 18 years of age and over. Any board may include in its determinations definitions of "learner" and "apprentice" and the commission shall have power to make such rules and regulations and to issue such orders relating to the same as it deems necessary to make effective the object of this act.

SEC. 14.—Any employer or employee or other person who shall be interested therein, who shall be dissatisfied with any order, ruling or holding of the commission may, within thirty days from the making thereof, commence an action in the district court of Shawnee county or in the district court in the county in which the person so complaining shall reside or have his principal place of business against the industrial welfare commission, as defendant, to vacate and set aside such order, ruling or holding on the ground that the same is unauthorized by law, confiscatory or unreasonable, and in any such action all determinations of questions of fact which shall have been made by the commission under the foregoing provisions of this act shall be presumed to be correct and the burden of proof shall be upon the plaintiff to show the incorrectness of such determinations. In all such actions, the attorney general shall appear for and represent such commission. All such actions shall have preference in any court and on motion shall be advanced over any civil cause of a different nature pending in such court and such actions shall be tried and determined as other civil actions. Appeal from any decision of the district court may be taken from the district court to the supreme court

in the same manner as provided by law in other civil actions and shall have precedence in the supreme court over civil cases of a different nature. During the pendency of any such action the orders, rulings and holdings complained of shall, unless temporarily stayed or enjoined by the court, remain in full force and effect until final judgment. Service of summons on any member of the board shall be sufficient service on the board.

Sec. 15.—That a violation of any provision of this act shall constitute a misdemeanor, and any one convicted thereof shall be punished by a fine of not less than twenty-five ($25.00) dollars, nor more than one hundred ($100.00) dollars for each such misdemeanor.

Sec. 16.—That any employer who discharges or in any other manner discriminates against any employee because such employee has signed or agreed to sign any request to the commission to investigate wages, hours, or sanitary, or other labor conditions, or has testified or is about to testify, or because such employer believes that said employee may testify in any investigation or proceedings or sign any request relative to the enforcement of this act, shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of not less than twenty-five ($25.00) dollars nor more than one hundred ($100.00) dollars for each such misdemeanor.

Sec. 17.—That any employer who employs any woman, or minor, learner or apprentice in any occupation at less than the minimum wage or for a greater number of hours in a day or week fixed or under sanitary or other conditions forbidden by order or license issued by the commission, shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of not less than twenty-five ($25.00) dollars nor more than one hundred ($100) dollars for each such misdemeanor. Any woman or minor or learner or apprentice who shall receive less than the minimum wage or shall be compelled to work for a greater number of hours than

that fixed by order or license issued by the commission, shall be entitled to recover in a civil action the full amount of the legal minimum wage, and compensation at the same rate for the number of hours of over-time work as herein provided for, together with costs and attorney's fees to be fixed by the court, notwithstanding any agreement to work for such lesser wage or greater number of hours. In such action, however, the employer shall be credited with any wages which have been paid upon account.

Sec. 18.—That the commission shall, from time to time, investigate and ascertain whether or not employers or employees in the state of Kansas are observing and complying with its orders and take such steps as may be necessary to have prosecuted such employers and employees as are not observing and complying with its orders.

Sec. 19.—That the Commissioner of labor and the several inspectors of the bureau of labor shall, at any and all times, give to the commission any information or statistics in their respective offices that may assist said commission in carrying out this act and render such assistance to said commission as may not be inconsistent with the performance of their respective official duties.

Sec. 20.—That the commission shall biennially make a report to the governor and legislature of its investigations and proceedings, and such reports shall be printed and distributed as in the case of other executive documents.

Sec. 21.—That this act is to be construed as supplemental to existing laws regulating the employment of women, learners and apprentices and minors.

Sec. 22.—That this act shall take effect and be in force from and after its publication in the statute book.

[Approved March 6, 1915.]

Massachusetts.

First enacted in 1912 (Chapter 706). Amended in 1913 (Chapters 673 and 330) in 1914 (Chapter 368), in 1915 (Chapter 65) and 1916 (Chapter 303).

An Act to establish the minimum wage commission and to provide for the determination of minimum wages for women and minors.

Be it enacted, etc., as follows:

Section 1.—There is hereby established a commission to be known as the Minimum Wage Commission. It shall consist of three persons, one of whom may be a woman, to be appointed by the governor, with the advice and consent of the council. One of the commissioners shall be designated by the governor as chairman. The first appointments shall be made within ninety days after the passage of this act, one for a term ending October first, nineteen hundred and thirteen, one for a term ending October first, nineteen hundred and fourteen, and one for a term ending October first, nineteen hundred and fifteen; and beginning with the year nineteen hundred and thirteen, one member shall be appointed annually for the term of three years from the first day of October and until his successor is qualified. Any vacancy that may occur shall be filled in like manner for the unexpired part of the term.

Sec. 2.—Each commissioner shall be paid ten dollars for each day's service, in addition to the traveling and other expenses incurred in the performance of his official duties. The commission may appoint a secretary, who shall be the executive officer of the board and to whose appointment the rules of the civil service commission shall not apply. It shall determine his salary, subject to the approval of the governor and council. The commission may incur other necessary expenses not exceeding the annual appropriation therefor, and shall be provided with an office in the state house or in some other suitable building in the city of Boston.

SEC. 3.—It shall be the duty of the commission to inquire into the wages paid to the female employees in any occupation in the commonwealth, if the commission has reason to believe that the wages paid to a substantial number of such employees are inadequate to supply the necessary cost of living and to maintain the worker in health.

SEC. 4.—If after such investigation the commission is of the opinion that in the occupation in question the wages paid to a substantial number of female employees are inadequate to supply the necessary cost of living and to maintain the worker in health, the commission shall establish a wage board consisting of an equal number of representatives of employers in the occupation in question, and of persons to represent the female employees in said occupation, and of one or more disinterested persons appointed by the commission to represent the public, but the representatives of the public shall not exceed one-half of the number of representatives of either of the other parties. The commission shall give notice to employers and employees in said occupation by publication or otherwise of its determination to establish a wage board and shall request that said employers and employees, respectively, nominate representatives for said board by furnishing names to the commission. The representatives of employers and employees shall be selected by the commission from names furnished by the employers and by the employees, respectively, provided that these names are furnished within ten days after the request of the commission. The commission shall designate the chairman from among the representatives of the public, and shall make rules and regulations governing the selection of members and modes of procedure of the boards, and shall exercise exclusive jurisdiction over all questions arising with reference to the validity of the procedure and of the determinations of the boards. The members of wage boards shall be compensated at the same rate as jurors; they shall be allowed the necessary traveling and clerical expenses incurred in the per-

formance of their duties, these payments to be made from the appropriation for the expenses of the commission.

Sec. 5.—The commission may transmit to each wage board all pertinent information in its possession relative to the wages paid in the occupation in question. Each wage board shall take into consideration the needs of the employees, the financial condition of the occupation and the probable effect thereon of any increase in the minimum wages paid, and shall endeavor to determine the minimum wage, whether by time rate or piece rate, suitable for a female employee of ordinary ability in the occupation in question, or for any or all of the branches thereof, and also suitable minimum wages for learners and apprentices and for minors below the age of eighteen years. When a majority of the members of a wage board shall agree upon minimum wage determinations, they shall report such determinations to the commission, together with the reasons therefor and the facts relating thereto.

Sec. 6.—Upon receipt of a report from a wage board, the commission shall review the same, and may approve any or all of the determinations recommended, or may disapprove any or all of them, or may recommit the subject to the same or to a new wage board. If the commission approves any or all of the determinations of the wage board it shall, after not less than fourteen days' notice to employers paying a wage less than the minimum wage approved, give a public hearing to such employers, and if, after such public hearing, the commission finally approves the determination, it shall enter a decree of its findings and note thereon the names of employers, so far as they may be known to the commission, who fail or refuse to accept such minimum wage and to agree to abide by it. The commission shall thereafter publish at such times and in such manner as it may deem advisable a summary of its findings and of its recommendations. It shall also at such times and in such manner as it shall deem advisable publish the facts, as it may find them to be, as to the acceptance of its recommendations

by the employers engaged in the industry to which any of its recommendations relate, and may publish the names of employers whom it finds to be following or refusing to follow such recommendations. An employer who files a declaration under oath in the supreme judicial court or the superior court to the effect that compliance with the recommendation of the commission would render it impossible for him to conduct his business at a reasonable profit shall be entitled to a review of said recommendation by the court under the rules of equity procedure. The burden of proving the averments of said declaration shall be upon the complainant. If, after such review, the court shall find the averments of the declaration to be sustained, it may issue an order restraining the commission from publishing the name of the complainant as one who refuses to comply with the recommendations of the commission. But such review, or any order issued by the court thereupon, shall not be an adjudication affecting the commission as to any employer other than the complainant, and shall in no way affect the right of the commission to publish the names of those employers who do comply with its recommendations. The type in which the employers' names shall be printed shall not be smaller than that in which the news matter of the paper is printed. The publication shall be attested by the signature of at least a majority of the commission.

Sec. 7.—Whenever a minimum wage rate has been established in any occupation, the commission may, upon petition of either employers or employees, reconvene the wage board or establish a new wage board, and any recommendation made by such board shall be dealt with in the same manner as the original recommendation of a wage board.

Sec. 8.—For any occupation in which a minimum time rate only has been established, the commission may issue to any woman physically defective a special license authorizing the employment of the licensee for a wage less than the legal minimum wage; *provided*, That it is

not less than the special minimum wage fixed for that person.

Sec. 9.—The commission may at any time inquire into the wages paid to minors in any occupation in which the majority of employees are minors, and may, after giving public hearings, determine minimum wages suitable for such minors. When the commission has made such a determination, it may proceed in the same manner as if the determination had been recommended to the commission by a wage board.

Sec. 10.—Every employer of women and minors shall keep a register of the names, addresses and occupations of all women and minors employed by him, together with a record of the amount paid each week to each woman and minor, and shall, on request of the commission or of the director of the bureau of statistics, permit the commission or any of its members or agents, or the director of the bureau of statistics or any duly accredited agent of said bureau, to inspect the said register and to examine such parts of the books and records of employers as relate to the wages paid to women and minors. The commission shall also have power to subpoena witnesses, administer oaths and take testimony. Such witnesses shall be summoned in the same manner and be paid from the treasury of the commonwealth the same fees as witnesses before the superior court.

Sec. 11.—Upon request of the commission, the director of the bureau of statistics shall cause such statistics and other data to be gathered as the commission may require, and the cost thereof shall be paid out of the appropriation made for the expenses of the commission.

Sec. 12.—Any employer who discharges or in any other manner discriminates against any employee because such employee has testified, or is about to testify, or has served or is about to serve upon a wage board, or is or has been active in the formation thereof, or has given or is about to give information concerning the con-

ditions of such employee's employment, or because the employer believes that the employee may testify, or may serve upon a wage board, or may give information concerning the conditions of the employee's employment, in any investigation or proceeding relative to the enforcement of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than two hundred dollars, and not more than one thousand dollars for each offence.

Sec. 13.—The commission shall from time to time determine whether employers in each occupation investigated are obeying its decrees, and shall publish in the manner provided in section six, the name of any employer whom it finds to be violating any such decree.

Sec. 14.—Any newspaper refusing or neglecting to publish the findings, decrees or notices of the commission at its regular rates for the space taken shall, upon conviction thereof, be punished by a fine of not less than one hundred dollars for each offence.

Sec. 15.—No member of the commission and no newspaper publisher, proprietor, editor or employee thereof, shall be liable to an action for damages for publishing the name of any employer in accordance with the provisions of this act, unless such publication contains some wilful misrepresentation.

Sec. 16.—The commission shall, annually, on or before the first Wednesday in January, make a report to the general court of its investigations and proceedings during the preceding year.

Sec. 17.—This act shall take effect on the first day of July in the year nineteen hundred and thirteen.

[Approved June 4, 1912.]

General Act 1915. Chap. 65. An Act to Provide for the Posting of Information in Places of Employment.

Section 1.—The minimum wage commission may require employers to post in conspicuous positions in their

places of employment such notices as the said commission may issue for the information of employees.

SEC. 2.—This act shall take effect upon its passage.

(Approved March 12, 1915).

General Acts, 1916. Chapter 303. An Act to Establish Certain Qualifications for Members of the Minimum Wage Commission.

SECTION 1.—Section one of Chapter seven hundred and six of the acts of the year nineteen hundred and twelve is hereby amended by striking out the second sentence, and inserting in place thereof the following: It shall consist of three persons, one of whom shall be an employer of female labor and one of whom may be a woman and one a representative of labor, to be appointed by the governor with the advice and consent of the council—so as to read as follows: Section 1.—There is hereby established a commission to be known as the Minimum Wage Commission. It shall consist of three persons, one of whom shall be an employer of female labor and one of whom may be a woman and one a representative of labor, to be appointed by the Governor with the advice and consent of the council. One of the commissioners shall be designated by the Governor as chairman. The first appointments shall be made within ninety days after the passage of this act, one for a term ending October first, nineteen hundred and thirteen, one for a term ending October first, nineteen hundred and fourteen, and one for a term ending October first, nineteen hundred and fifteen; and beginning with the year nineteen hundred and thirteen, one member shall be appointed annually for the term of three years from the first day of October and until his successor is qualified. Any vacancy that may occur shall be filled in like manner for the unexpired part of the term.

SEC. 2.—This Act shall take effect upon its passage.

[Approved June 2, 1916.]

Minnesota.

Enacted in 1913. (Chapter 547.)

An Act to establish a minimum wage commission, and to provide for the determination and establishment of minimum wages for women and minors.

Be it enacted by the Legislature of the State of Minnesota:

Section 1.—There is hereby established a commission to be known as the minimum wage commission. It shall consist of three persons, one of whom shall be the commissioner of labor who shall be the chairman of the commission, the governor shall appoint two others, one of whom shall be an employer of women, and the third shall be a woman, who shall act as secretary of the commission. The first appointments shall be made within sixty days after the passage of this act for a term ending January 1, 1915. Beginning with the year 1915 the appointments shall be for two years from the first day of January and until their successors qualify. Any vacancy that may occur shall be filled in like manner for the unexpired portion of the term.

Sec. 2.—The commission may at its discretion investigate the wages paid to women and minors in any occupations in the state. At the request of not less than one hundred persons engaged in any occupation in which women and minors are employed, the commission shall forthwith make such investigation as herein provided.

Sec. 3.—Every employer of women and minors shall keep a register of the names and addresses of, and wages paid to all women and minors employed by him, together with number of hours that they are employed per day or per week; and every such employer shall on request permit the commission or any of its members or agents to inspect such register.

Sec. 4.—The commission shall specify times to hold public hearings at which employers, employees, or other

interested persons may appear and give testimony as to wages, profits and other pertinent conditions of the occupation or industry. The commission or any member thereof shall have power to subpoena witnesses, to administer oaths, and to compel the production of books, papers, and other evidence. Witnesses subpoenaed by the commission may be allowed such compensation for travel and attendance as the commission may deem reasonable, to an amount not exceeding the usual mileage and per diem allowed by our courts in civil cases.

Sec. 5.—If after investigation of any occupation the commission is of opinion that the wages paid to one-sixth or more of the women or minors employed therein are less than living wages, the commission shall forthwith proceed to establish legal minimum rates of wages for said occupation, as hereinafter described and provided.

Sec. 6.—The commission shall determine the minimum wages sufficient for living wages for women and minors of ordinary ability, and also the minimum wages sufficient for living wages for learners and apprentices. The commission shall then issue an order, to be effective thirty days thereafter, making the wages thus determined the minimum wages in said occupation throughout the state, or within any area of the state if differences in the cost of living warrant this restriction. A copy of said order shall be mailed, so far as practicable, to each employer affected; and each such employer shall be required to post such a reasonable number of copies as the commission may determine in each building or other work-place in which affected workers are employed. The original order shall be filed with the commissioner of labor.

Sec. 7.—The commission may at its discretion establish in any occupation an advisory board which shall serve without pay, consisting of not less than three nor more than ten persons representing employers, and an equal number of persons representing the workers in

said occupation, and of one or more disinterested persons appointed by the commission to represent the public; but the number of representatives of the public shall not exceed the number of representatives of either of the other parties. At least one-fifth of the membership of any advisory board shall be composed of women, and at least one of the representatives of the public shall be a woman. The commission shall make rules and regulations governing the selection of members and the modes of procedure of the advisory boards, and shall exercise exclusive jurisdiction over all questions arising with reference to the validity of the procedure and determination of said boards. Provided: that the selection of members representing employers and employees shall be, so far as practicable, through election by employers and employees respectively.

Sec. 8.—Each advisory board shall have the same power as the commission to subpoena witnesses, administer oaths, and compel the production of books, papers and other evidence. Witnesses subpoenaed by an advisory board shall be allowed the same compensation as when subpoenaed by the commission. Each advisory board shall recommend to the commission an estimate of the minimum wages, whether by time rate or by piece rate, sufficient for living wages for women and minors of ordinary ability, and an estimate of the minimum wages sufficient for living wages for learners and apprentices. A majority of the entire membership of an advisory board shall be necessary and sufficient to recommend wage estimates to the commission.

Sec. 9.—Upon receipt of such estimates of wages from an advisory board, the commission shall review the same, and if it approves them shall make them the minimum wages in said occupation, as provided in section 6. Such wages shall be regarded as determined by the commission itself and the order of the commission putting them into effect shall have the same force and authority as though the wages were determined without the assistance of an advisory board.

Sec. 10.—All rates of wages ordered by the commission shall remain in force until new rates are determined and established by the commission. At the request of approximately one-fourth of the employers or employees in an occupation, the commission must reconsider the rates already established therein and may, if it sees fit, order new rates of minimum wages for said occupation. The commission may likewise reconsider old rates and order new minimum rates on its own initiative.

Sec. 11.—For any occupation in which a minimum time rate of wages only has been ordered the commission may issue to a woman physically defective a special license authorizing her employment at a wage less than the general minimum ordered in said occupation: and the commission may fix a special wage for such person. Provided: that the number of such persons shall not exceed one-tenth of the whole number of workers in any establishment.

Sec. 12.—Every employer in any occupation is hereby prohibited from employing any worker at less than the living wage or minimum wage as defined in this act and determined in an order of the commission: and it shall be unlawful for any employer to employ any worker at less than said living or minimum wage.

Sec. 13.—It shall likewise be unlawful for any employer to discharge or in any manner discriminate against any employee because such employee has testified, or is about to testify, or because such employer believes that said employee is about to testify, in any investigation or proceeding relative to the enforcement of this act.

Sec. 14.—Any worker who receives less than the minimum wage ordered by the commission shall be entitled to recover in civil action the full amount due as measured by said order of the commission, together with costs and attorney's fees to be fixed by the court, notwithstanding any agreement to work for a lesser wage.

SEC. 15.—The commission shall enforce the provisions of this act, and determine all questions arising thereunder, except as otherwise herein provided.

SEC. 16.—The commission shall biennially make a report of its work to the governor and the state legislature, and such reports shall be printed and distributed as in the case of other executive documents.

SEC. 17.—The members of the commission shall be reimbursed for traveling and other necessary expenses incurred in the performance of their duties on the commission. The woman member shall receive a salary of eighteen hundred dollars annually for her work as secretary. All claims of the commission for expenses necessarily incurred in the administration of this act, but not exceeding the annual appropriation hereinafter provided, shall be presented to the state auditor for payment by warrant upon the state treasurer.

SEC. 18.—There is appropriated out of any money in the state treasury not otherwise appropriated for the fiscal year ending July 31, 1914, the sum of five thousand dollars ($5,000.00), and for the fiscal year ending July 31, 1915, the sum of five thousand dollars ($5,000.00).

SEC. 19.—Any employer violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished for each offense by a fine of not less than ten nor more than fifty dollars or by imprisonment for not less than ten nor more than sixty days.

SEC. 20.—Throughout this act the following words and phrases, as used herein, shall be considered to have the following meanings respectively, unless the context clearly indicates a different meaning in the connection used:

(1) The terms "living wage" or "living wages" shall mean wages sufficient to maintain the worker in health and supply him with the necessary comforts and conditions of reasonable life; and where the words "mini-

mum wage" or "minimum wages" are used in this act, the same shall be deemed to have the same meaning as "living wage" or "living wages."

(2) The terms "rate" or "rates" shall mean rate or rates of wages.

(3) The term "commission" shall mean the minimum wage commission.

(4) the term "woman" shall mean a person of the female sex eighteen years of age or over.

(5) The term "minor" shall mean a male person under the age of twenty-one years, or a female person under the age of eighteen years.

(6) The terms "learner" and "apprentice" may mean either a woman or a minor.

(7) The terms "worker" or "employee" may mean a woman, a minor, a learner, or an apprentice, who is employed for wages.

(8) The term "occupation" shall mean any business, industry, trade, or branch of a trade, in which women or minors are employed.

SEC. 21.—This act shall take effect and be in force from and after its passage.

[Approved April 26, 1913.]

Nebraska.

Enacted in 1913. (Chapter 211.)

An Act to establish a minimum wage commission and to provide for the determination of minimum wages for women and minors.

Be it enacted by the People of the State of Nebraska:

Section 1.—There is hereby established a commission to be known as the Nebraska minimum wage commission. The governor is hereby made a member of said commission. Within thirty days from the passage and approval of this act he shall appoint the following additional members: deputy commissioner of labor, a member of the political science department of the University of Nebraska, one other member who shall be a citizen of the state. At least one member of said commission shall be a woman. Each of the above appointments shall be for a period of two years and may be renewed thereafter. Any vacancy occurring in the commission shall be filled by the governor. Within ten days after such appointment the commission shall meet and organize by the election of a chairman and secretary.

Sec. 2.—Each commissioner shall be paid all traveling and other expenses incurred in the performance of his or her official duties. The commission may incur other necessary expenses not exceeding the biennial appropriation therefor and shall be provided with an office in the state house or at the state university.

Sec. 3.—It shall be the duty of the commission to inquire into the wages paid to the female employees in any occupation in the commonwealth, if the commission has reason to believe that the wages paid to a substantial number of such employees are inadequate to supply the necessary cost of living and to maintain the worker in health.

Sec. 4.—If after such investigation the commission is of the opinion that in the occupation in question the

wages paid to a substantial number of female employees are inadequate to supply the necessary cost of living and to maintain the worker in health, the commission shall establish a wage board consisting of not less than three representatives of employers in the occupation in question and of an equal number of persons to represent the female employees in said occupation, and in addition thereto the three appointed members of the commission to represent the public. The chairman of the commission shall be chairman of the wage board and shall make rules and regulations governing the procedure of the board and exercise jurisdiction over all questions arising with reference to the validity of the procedure and the determinations of the board. The secretary of the commission shall be secretary of the wage board and keep such record of hearings and arguments as the wage board shall direct. The members of wage boards shall be compensated at the same rate as jurors in district court; they shall be allowed necessary traveling and other expenses incurred in the performance of their duties, these payments to be made from the appropriation for the expenses of the commission.

Sec. 5.—The commission may transmit to each wage board all pertinent information in its possession relative to the wages paid in the occupation in question. Each wage board shall take into consideration the needs of the employees, the financial condition of the occupation and the probable effect thereon of any increase in the minimum wages paid, and shall endeavor to determine the minimum wage, whether by time rate or piece rate, suitable for a female employee of ordinary ability in the occupation in question, or for any or all of the branches thereof, and also suitable minimum wages for learners and apprentices and for minors below the age of eighteen years. When two-thirds the members of the wage board shall agree upon minimum wage determinations, they shall report such determinations to the commission, together with the reasons therefor and the facts relating thereto, and also the names, so far as they can be ascer-

tained by the board, of employers who pay less than the minimum wage so determined.

Sec. 6.—Upon receipt of a report from the wage board, the commission shall review the same, and report its review to the governor. If the commission approves any or all of the determinations of the wage board it shall, after not less than thirty days' notice to employers paying a wage less than the minimum wage approved, give a public hearing to such employers, and if, after such public hearing the commission finally approves the determination, it shall enter a decree of its findings and note thereon the names of employers, so far as they may be known to the commission, who fail or refuse to accept such minimum wage and to agree to abide by it. The commission shall, within thirty days thereafter, publish the names of all such employers in at least one newspaper in each county in the commonwealth, together with the material part of its findings, and a statement of the minimum wages paid by every such employer. Any employer upon filing a declaration under oath in the district court to the effect that compliance with such decree would endanger the prosperity of the business to which the same is made applicable, shall be entitled to a stay of execution of such decree, and a review thereof with reference to the question involved in such declaration. Such review shall be made by the court under the rules of equity procedure, and if it shall be found by the court that compliance with such decree is likely to endanger the prosperity of the business to which the same is applicable, then an order shall issue from said court revoking the same. The type in which the employers' names shall be printed shall not be smaller than that in which the news matter of the paper is printed. The publication shall be attested by the signature of at least a majority of the commission.

Sec. 7.—In case a wage board shall make a recommendation of a wage determination in which a majority but less than two-thirds of the members concur, the commission, in its discretion, may report such recommendation and the pertinent facts relating thereto to the legislature.

SEC. 8.—Whenever a minimum wage rate has been established in any occupation, the commission may, upon petition of either employers or employees, reconvene the wage board or establish a new wage board, and any recommendation made by such board shall be dealt with in the same manner as the original recommendation of a wage board.

SEC. 9.—For any occupation in which a minimum time rate only has been established, the commission may issue to any woman physically defective a special license authorizing the employment of the licensee for a wage less than the legal minimum wage: *Provided*, that it is not less than the special minimum wage fixed for that person.

SEC. 10.—The commission may at any time inquire into the wages paid to minors in any occupation in which the majority of employees are minors, and may, after giving public hearings, determine minimum wages suitable for such minors. When the commission has made such a determination, it may proceed in the same manner as if the determination had been recommended to the commission by the wage board.

SEC. 11.—Every employer of women and minors shall keep a register of the names and addresses of all women and minors employed by him, and shall on request permit the commission or any of its members or agents to inspect the register. The commission shall also have power to subpoena witnesses, administer oaths and take testimony, and to examine such parts of the books and records of employers as relate to the wages paid to women and minors. Such witnesses shall be summoned in the same manner and be paid from the treasury of the commonwealth the same fees as witnesses before the District Court.

SEC. 12.—The commission may cause such statistics and other data to be gathered as it may deem desirable, and the cost thereof shall be paid out of the appropriation made for the expenses of the commission.

SEC. 13.—Any employer who discharges or in any other manner discriminates against any employee because such employee has testified, or is about to testify, or because the employer believes that the employee may testify, in any investigation or proceeding relative to the enforcement of this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of twenty-five dollars for each offense.

SEC. 14.—The commission shall from time to time determine whether employers in each occupation investigated are obeying its decrees, and shall publish in the manner provided in section six, the name of any employer whom it finds to be violating any such decree.

SEC. 15.—Any newspaper publisher or publishers refusing or neglecting to publish the findings, decrees or notices of the commission at its regular rates for the space taken shall, upon conviction thereof, be punished by a fine of not less than one hundred dollars for each offense.

SEC. 16.—No member of the commission and no newspaper publisher, proprietor, editor or employee thereof, shall be liable to an action for damages for publishing the name of any employer in accordance with the provisions of this act, unless such publication contains some wilful misrepresentation.

SEC. 17.—The commission shall make a report to the governor on or before the 1st day of November, 1914, and biennially thereafter, covering the results secured and data gathered in its work. It may also make such additional reports in the form of bulletins from time to time as in its judgment shall best serve the public interest.

[Approved, April 21, 1913.]

OREGON.

Enacted in 1913. (*Chapter 62.*) *Amended in 1915.* (*Chapter 35*).

AN ACT to protect the lives and health and morals of women and minor workers, and to establish an Industrial Welfare Commission and define its powers and duties, and to provide for the fixing of minimum wages and maximum hours and standard conditions of labor for such workers, and to provide penalties for violation of this act.

WHEREAS, The welfare of the State of Oregon requires that women and minors should be protected from conditions of labor which have a pernicious effect on their health and morals, and inadequate wages and unduly long hours and unsanitary conditions of labor have such a pernicious effect; *therefore*

Be it enacted by the People of the State of Oregon:

SECTION 1.—It shall be unlawful to employ women or minors in any occupation within the State of Oregon for unreasonably long hours; and it shall be unlawful to employ women or minors in any occupation within the State of Oregon under such surroundings or conditions—sanitary or otherwise—as may be detrimental to their health or morals; and it shall be unlawful to employ women in any occupation within the State of Oregon for wages which are inadequate to supply the necessary cost of living and to maintain them in health; and it shall be unlawful to employ minors in any occupation within the State of Oregon for unreasonably low wages.

SEC. 2.—There is hereby created a commission composed of three commissioners, which shall be known as the "Industrial Welfare Commission"; and the word "commission" as hereinafter used refers to and means said Industrial Welfare Commission; and the word "commissioner" as hereinafter used refers to and means a member of said Industrial Welfare Commission. Said commissioners shall be appointed by the governor. The

governor shall make his first appointments hereunder within thirty days after this bill becomes a law; and of the three commissioners first appointed, one shall hold office until January 1, 1914, and another shall hold office until January 1, 1915, and the third shall hold office until January 1, 1916; and the governor shall designate the terms of each of said three first appointees. On or before the first day of January of each year, beginning with the year 1914, the governor shall appoint a commissioner to succeed the commissioner whose term expires on said first day of January; and such new appointee shall hold office for the term of three years from said first day of January. Each commissioner shall hold office until his successor is appointed and has qualified; and any vacancy that may occur in the membership of said commission shall be filled by appointment by the governor for the unexpired portion of the term in which such vacancy occurs. A majority of said commissioners shall constitute a quorum to transact business, and the act or decision of such a majority shall be deemed the act or decision of said commission; and no vacancy shall impair the right of the remaining commissioners to exercise all the powers of said commission. The governor shall, so far as practicable, so select and appoint said commissioners—both the original appointments and all subsequent appointments—that at all times one of said commissioners shall represent the interests of the employing class and one of said commissioners shall represent the interests of the employed class and the third of said commissioners shall be one who will be fair and impartial between employers and employees and work for the best interests of the public as a whole.

Sec. 3.—The first commissioners appointed under this act shall, within twenty days after their appointment, meet and organize said commission by electing one of their number as chairman thereof and by choosing a secretary of said commission; and by or before the tenth day of January of each year, beginning with the year 1914, said commissioners shall elect a chairman and choose a secretary for the ensuing year. Each such

chairman and each such secretary shall hold his or her position until his or her successor is elected or chosen; but said commission may at any time remove any secretary chosen hereunder. Said secretary shall not be a commissioner; and said secretary shall perform such duties as may be prescribed and receive such salary as may be fixed by said commission. None of said commissioners shall receive any salary as such. All authorized and necessary expenses of said commission and all authorized and necessary expenditures incurred by said commission shall be audited and paid as other state expenses and expenditures are audited and paid.

Sec. 4.—Said commission is hereby authorized and empowered to ascertain and declare, in the manner hereinafter provided, the following things: (a) Standards of hours of employment for women or for minors and what are unreasonably long hours for women or for minors in any occupation within the State of Oregon; (b) Standards of conditions of labor for women or for minors in any occupation within the State of Oregon and what surroundings or conditions—sanitary or otherwise—are detrimental to the health or morals of women or of minors in any such occupation; (c) Standards of minimum wages for women in any occupation within the State of Oregon and what wages are inadequate to supply the necessary cost of living to any such women workers and to maintain them in good health; and (d) Standards of minimum wages for minors in any occupation within the State of Oregon and what wages are unreasonably low for any such minor workers.

Sec. 5.—Said commission shall have full power and authority to investigate and ascertain the wages and the hours of labor and the conditions of labor of women and minors in the different occupations in which they are employed in the State of Oregon; and said commission shall have full power and authority, either through any authorized representative or any commissioner to inspect and examine any and all books and pay rolls and other records of any employer of women or minors that in any

way appertain to or have a bearing upon the question of wages or hours of labor or conditions of labor of any such women workers or minor workers in any of said occupations and to require from any such employer full and true statements of the wages paid to, and the hours of labor of, and the conditions of labor of all women and minors in his employment.

Sec. 6.—Every employer of women or minors shall keep a register of the names of all women and all minors employed by him, and shall, on request, permit any commissioner or any authorized representative of said commission to inspect and examine such register. The word "minor" as used in this act, refers to and means any person of either sex under the age of eighteen years; and the word "women," as used in this act, refers to and means a female person of, or over, the age of eighteen years.

Sec. 7.—Said commission may hold meetings for the transaction of any of its business at such times and places as it may prescribe; and said commission may hold public hearings at such times and places as it deems fit and proper for the purpose of investigating any of the matters it is authorized to investigate by this act. At any such public hearing any person interested in the matter being investigated may appear and testify. Said commission shall have power to subpoena and compel the attendance of any witnesses at any such public hearing or at any session of any conference called and held as hereinafter provided; and any commissioner shall have power to administer an oath to any witness who testifies at any such public hearing or at any such session of any conference. All witnesses subpoenaed by said commission shall be paid the same mileage and per diem as are allowed by law to witnesses in civil cases before the circuit court of Multnomah county.

Sec. 8.—If, after investigation, said commission is of opinion that any substantial number of women workers in any occupation are working for unreasonably long

hours or are working under surroundings or conditions detrimental to their health or morals or are receiving wages inadequate to supply them with the necessary cost of living and maintain them in health, said commission may call and convene a conference for the purpose and with the powers of considering and inquiring into and reporting on the subject investigated by said commission and submitted by it to such conference. Such conference shall be composed of not more than three representatives of the employers in said occupation and of an equal number of the representatives of the employees in said occupation and of not more than three disinterested persons representing the public and of one or more commissioners. Said commission shall name and appoint all the members of such conference and designate the chairman thereof. Said commission shall present to such conference all information and evidence in the possession or under the control of said commission which relates to the subject of the inquiry by such conference; and said commission shall cause to be brought before such conference any witnesses whose testimony said commission deems material to the subject of the inquiry by such conference. After completing its consideration of and inquiry into the subject submitted to it by said commission, such conference shall make and transmit to said commission a report containing the findings and recommendations of such conference on said subject. Accordingly as the subject submitted to it may require, such conference shall, in its report, make recommendations on any or all of the following questions concerning the particular occupations under inquiry, to wit: (a) Standards of hours of employment for women workers and what are unreasonably long hours of employment for women workers; (b) Standards of conditions of labor for women workers and what surroundings or conditions—sanitary or otherwise—are detrimental to the health or morals of women workers; (c) Standards of minimum wages for women workers and what wages are inadequate to supply the necessary cost of living to women workers and maintain them in health. In its recommen-

dations on a question of wages such conference shall, where it appears that any substantial number of women workers in the occupation under inquiry are being paid by piece rates as distinguished from time rate recommend minimum piece rates as well as a minimum time rate and recommend such minimum piece rates as will, in its judgment, be adequate to supply the necessary cost of living to women workers of average ordinary ability and maintain them in health; and in its recommendations on a question of wages such conference shall, when it appears proper or necessary, recommend suitable minimum wages for learners and apprentices and the maximum length of time any woman worker may be kept at such wages as a learner or apprentice, which said wages shall be less than the regular minimum wages recommended for the regular women workers in the occupation under inquiry. Two-thirds of the members of any such conference shall constitute a quorum; and the decision or recommendation or report of such a two-thirds on any subject submitted shall be deemed the decision or recommendations or report of such conference.

Sec. 9.—As Amended Ch. 35, Acts 1915).—Upon receipt of any report from any conference, said commission shall consider and review the recommendations contained in said report; and said commission may approve any or all of said recommendations or disapprove any or all of said recommendations; and said commission may re-submit to the same conference, or a new conference, any subject covered by any recommendations so disapproved. If said commission approves any recommendations contained in any report from any conference, said commission shall publish notice, not less than once a week for four successive weeks in not less than two newspapers of general circulation published in Multnomah county, that it will on a date and at a place named in said notice, hold a public meeting at which all persons in favor of or opposed to said recommendations will be given a hearing; and, after said publication of said notice and said meeting, said commission may, in its discretion, make and render such

an order as may be proper or necessary to adopt such recommendations and carry the same into effect, and require all employers in the occupation affected thereby to observe and comply with such recommendations and said order. Said order shall become effective in sixty days after it is made and rendered and shall be in full force and effect on and after the sixtieth day following its making and rendition. After said order becomes effective and while it is effective, it shall be unlawful for any employer to violate or disregard any of the terms or provisions of said order or to employ any woman worker in any occupation covered by said order for longer hours or under different surroundings or conditions or at lower wages than are authorized or permitted by said order. Said commission shall, as far as is practicable, mail a copy of any such order to every employer affected thereby; and every employer affected by any such order shall keep a copy thereof posted in a conspicuous place in each room in his establishment in which women workers work. No such order of said commission shall authorize or permit the employment of any woman for more hours per day or per week than the maximum now fixed by law, provided, however, that in case of emergencies which may arise in the conduct of any industry or occupation overtime may be permitted under conditions and rules which the Commission, after investigation, shall determine and prescribe by order and which shall apply equally to all employers in such industry or occupation.

Sec. 10.—For any occupation in which only a minimum time rate wage has been established, said commission may issue to a woman physically defective or crippled by age or otherwise, a special license authorizing her employment at such wage less than said minimum time rate wage as shall be fixed by said commission and stated in said license.

Sec. 11.—Said commission may at any time inquire into wages or hours or conditions of labor of minors employed in any occupation in this state and determine suit-

able wages and hours and conditions of labor for such minors. When said commission has made such determination, it may issue an obligatory order in the manner provided for in section 9 of this act; and, after such order is effective, it shall be unlawful for any employer in said occupation to employ a minor at less wages or for more hours or under different conditions of labor than are specified or required in or by said order; but no such order of said commission shall authorize or permit the employment of any minor for more hours per day or per week than the maximum now fixed by law or at any times or under any conditions now prohibited by law.

SEC. 12.—The word "occupation" as used in this act shall be so construed as to include any and every vocation and pursuit and trade and industry. Any conference may make a separate inquiry into and report on any branch of any occupation; and said commission may make a separate order affecting any branch of any occupation. Any conference may make different recommendations and said commission may make different orders for the same occupation in different localities in the state when, in the judgment of such conference or said commission, different conditions in different localities justify such different recommendations or different orders.

SEC. 13.—Said commission shall, from time to time, investigate and ascertain whether or not employers in the State of Oregon are observing and complying with its orders and take such steps as may be necessary to have prosecuted such employers as are not observing or complying with its orders.

SEC. 14.—The "Commissioner of Labor Statistics and Inspector of Factories and Work Shops" and the several officers of the "Board of Inspection of Child Labor" shall, at any and all times, give to said commission any information or statistics in their respective offices that would assist said commission in carrying out this act and render such assistance to said commission as may not be inconsistent with the performance of their respective official duties.

Sec. 15.—Said commission is hereby authorized and empowered to prepare and adopt and promulgate rules and regulations for the carrying into effect of the foregoing provisions of this act, including rules and regulations for the selection of members and the mode of procedure of conferences.

Sec. 16.—All questions of fact arising under the foregoing provisions of this act shall, except as otherwise herein provided, be determined by said commission, and there shall be no appeal from the decision of said commission on any such question of fact; but there shall be a right of appeal from said commission to the circuit court of the State of Oregon for Multnomah county from any ruling or holding on a question of law included in or embodied in any decision or order of said commission, and, on the same question of law, from said circuit court to the Supreme Court of the State of Oregon. In all such appeals the attorney-general shall appear for and represent said commission.

Sec. 17.—Any person who violates any of the foregoing provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than twenty-five ($25) dollars nor more than one hundred ($100) dollars, or by imprisonment in the county jail for not less than ten days nor more than three months, or by both such fine and imprisonment in the discretion of the court.

Sec. 18.—Any employer who discharges or in any other manner discriminates against any employee because such employee has testified, or is about to testify, or because such employer believes that said employee may testify, in any investigation or proceedings under or relative to this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than twenty-five ($25) dollars nor more than one hundred ($100) dollars.

Sec. 19.—If any woman worker shall be paid by her employer less than the minimum wage to which she is

entitled under or by virtue of an order of said commission, she may recover in a civil action the full amount of her said minimum wage less any amount actually paid to her by said employer, together with such attorney's fees as may be allowed by the court; and any agreement for her to work for less than such minimum wage shall be no defense to such action.

SEC. 20.—Said commission shall, on or before the 1st day of January of the year 1915 and of each second year thereafter, make a succinct report to the governor and legislature of its work and the proceedings under this act during the preceding two years.

SEC. 21.—There is hereby appropriated out of the general fund of the State of Oregon the sum of thirty-five hundred ($3,500) dollars per annum, or so much thereof as may be necessary per annum, to carry into effect the provisions of this act and to pay the expenses and expenditures authorized by or incurred under this act.

[Filed in the office of the Secretary of State, February 17, 1913.]

Utah.

Enacted in 1913. (Chapter 63.)

An Act to establish a minimum wage for female workers, providing a penalty for violation of the provisions of this act and providing for its enforcement.

Be it enacted by the Legislature of the State of Utah:

Section 1.—It shall be unlawful for any regular employer of female workers in the State of Utah to pay any female less than the wage in this section specified, to wit:

For minors, under the age of eighteen years, not less than seventy-five cents per day; for adult learners and apprentices not less than ninety cents per day; *Provided*, that the learning period or apprenticeship shall not extend for more than one year; for adults who are experienced in the work they are employed to perform, not less than one dollar and twenty-five cents per day.

Sec. 2.—All regular employers of female workers shall give a certificate of apprenticeship for time served to all apprentices.

Sec. 3.—Any regular employer of female workers who shall pay to any female less than the wage specified in section 1 of this act shall be guilty of a misdemeanor.

Sec. 4.—The Commissioner of Immigration, Labor and Statistics shall have general charge of the enforcement of this act, but violations of the same shall be prosecuted by all the city, State and county prosecuting officers in the same manner as in other cases of misdemeanor.

[Approved March 18, 1913.]

Washington.

Enacted in 1913. (Chapter 174.)

An Act to protect the lives, health, morals of women and minors, workers, establishing an industrial welfare commission for women and minors, prescribing its powers and duties, and providing for the fixing of minimum wages and the standard condition of labor for such workers, and providing penalties for violation of the same, and making an appropriation therefor.

Be it enacted by the Legislature of the State of Washington:

Section 1.—The welfare of the State of Washington demands that women and minors be protected from conditions of labor which have a pernicious effect on their health and morals. The State of Washington, therefore, exercising herein its police and sovereign power declares that inadequate wages and unsanitary conditions of labor exert such pernicious effect.

Sec. 2.—It shall be unlawful to employ women or minors in any industry or occupation within the State of Washington under conditions of labor detrimental to their health or morals; and it shall be unlawful to employ women workers in any industry within the State of Washington at wages which are not adequate for their maintenance.

Sec. 3.—There is hereby created a commission to be known as the "Industrial Welfare Commission" for the State of Washington, to establish such standards of wages and conditions of labor for women and minors employed within the State of Washington, as shall be held hereunder to be reasonable and not detrimental to health and morals, and which shall be sufficient for the decent maintenance of women.

Sec. 4.—Said commission shall be composed of five persons, four of whom shall be appointed by the gov-

ernor, as follows: The first appointments shall be made within thirty (30) days after this act takes effect; one for the term ending January 1st, 1914; one for the term ending January 1st, 1915; one for the term ending January 1st, 1916, and one for the term ending January 1st, 1917: *Provided, however,* That at the expiration of their respective terms, their successors shall be appointed by the governor to serve a full term of four years. No person shall be eligible to appointment as a commissioner hereunder who is, or shall have been at any time within five years prior to the date of such appointment, a member of any manufacturers or employers association or of any labor union. The governor shall have the power of removal for cause. Any vacancies shall be filled by the governor for the unexpired portion of the term in which the vacancy shall occur. The commissioner of labor of the State of Washington shall be *ex officio* member of the commission. Three members of the commission shall constitute a quorum at all regular meetings and public hearings.

Sec. 5.—The members of said commission shall draw no salaries. The commission may employ a secretary, whose salary shall be paid out of the moneys hereinafter appropriated. All claims for expenses incurred by the commission shall, after approval by the commission, be passed to the state auditor for audit and payment.

Sec. 6.—It shall be the duty of the commission to ascertain the wages and conditions of labor of women and minors in the various occupations, trades and industries in which said women and minors are employed in the State of Washington. To this end, said commission shall have full power and authority to call for statements and to examine, either through its members or other authorized representatives, all books, pay rolls or other records of all persons, firms and corporations employing females or minors as to any matters that would have a bearing upon the question of wages of labor or conditions of labor of said employees.

Sec. 7.—Every employer of women and minors shall keep a record of the names of all women and minors employed by him, and shall on request permit the commission or any of its members or authorized representatives to inspect such record.

Sec. 8.—For the purposes of this act a minor is defined to be a person of either sex under the age of eighteen (18) years.

Sec. 9.—The commission shall specify times to hold public hearings, at which times employers, employees or other interested persons may appear and give testimony as to the matter under consideration. The commission shall have power to subpoena witnesses and to administer oaths. All witnesses subpoenaed by the commission shall be paid the same mileage and per diem allowed by law for witnesses before the superior court in civil cases.

Sec. 10.—If, after investigation, the commission shall find that in any occupation, trade or industry, the wages paid to female employes are inadequate to supply them necessary cost of living and to maintain the workers in health, or that the conditions of labor are prejudicial to the health or morals of the workers, the commission is empowered to call a conference composed of an equal number of representatives of employers and employees in the occupation or industry in question, together with one or more disinterested persons representing the public; but the representatives of the public shall not exceed the number of representatives of either of the other parties; and a member of the commission shall be a member of such conference and chairman thereof. The commission shall make rules and regulations governing the selection of representatives and the mode of procedure of said conference, and shall exercise exclusive jurisdiction over all questions arising as to the validity of the procedure and of the recommendations of said conference. On request of the commission, it shall be the duty of the conference to recommend to the commission an estimate of the minimum wage adequate in the occupation or industry in question to supply the necessary cost of living, and

maintain the workers in health, and to recommend standards of conditions of labor demanded for the health and morals of the employees. The findings and recommendations of the conference shall be made a matter of record for the use of the commission.

Sec. 11.—Upon the receipt of such recommendations from a conference, the commission shall review the same and may approve any or all of such recommendations, or it may disapprove any or all of them and re-commit the subject or the recommendations disapproved of to the same or a new conference. After such approval of the recommendations of a conference the commission shall issue an obligatory order to be effective in sixty (60) days from the date of said order, or if the commission shall find that unusual conditions necessitate a longer period, then it shall fix a later date, specifying the minimum wage for women in the occupation affected, and the standard conditions of labor for said women; and after such order is effective, it shall be unlawful for any employer in said occupation to employ women over eighteen (18) years of age for less than the rate of wages, or under conditions of labor prohibited for women in the said occupation. The commission shall send by mail, so far as practicable, to each employer in the occupation in question a copy of the order, and each employer shall be required to post a copy of said order in each room in which women affected by the order are employed. When such commission shall specify a minimum wage hereunder the same shall not be changed for one year from the date when such minimum wage is so fixed.

Sec. 12.—Whenever wages or standard conditions of labor have been made mandatory in any occupation, upon petition of either employers or employees, the commission may at its discretion re-open the question and re-convene the former conference or call a new one, and any recommendations made by such conference shall be dealt with in the same manner as the original recommendations of a conference.

SEC. 13.—For any occupation in which a minimum rate has been established, the commission through its secretary may issue to a woman physically defective or crippled by age or otherwise, or to any apprentice in such class of employment or occupation as usually requires to be learned by apprentices, a special license authorizing the employment of such licensee for a wage less than the legal minimum wage; and the commission shall fix the minimum wage for said person, such special license to be issued only in such cases as the commission may decide the same is applied for in good faith and that such license for apprentices shall be in force for such length of time as the said commission shall decide and determine is proper.

SEC. 14.—The commission may at any time inquire into wages, and conditions of labor of minors, employed in any occupation in the state and may determine wages and conditions of labor suitable for such minors. When the commission has made such determination in the cases of minors it may proceed to issue an obligatory order in the manner provided for in section 11 of this act, and after such order is effective it shall be unlawful for any employer in said occupation to employ a minor for less wages than is specified for minors in said occupation, or under conditions of labor prohibited by the commission for said minors in its order.

SEC. 15.—Upon the request of the commission the commissioner of labor of the State of Washington shall furnish to the commission such statistics as the commission may require.

SEC. 16.—Any employer who discharges, or in any other manner discriminates against any employee because such employee has testified or is about to testify, or because such employer believes that said employee may testify in any investigation or proceedings relative to the enforcement of this act, shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of from twenty-five dollars ($25.00) to one hundred dollars ($100.00) for each such misdemeanor.

SEC. 17.—Any person employing a woman or minor for whom a minimum wage or standard conditions of labor have been specified, at less than said minimum wage, or under conditions of labor prohibited by the order of the commission; or violating any other of the provisions of this act, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof, be punished by a fine of not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100.00).

SEC. 17½.—Any worker or the parent or guardian of any minor to whom this act applies may complain to the commission that the wages paid to the workers are less than the minimum rate and the commission shall investigate the same and proceed under this act in behalf of the worker.

SEC. 18.—If any employee shall receive less than the legal minimum wage, except as hereinbefore provided in section 13, said employe shall be entitled to recover in a civil action the full amount of the legal minimum wage as herein provided for, together with costs and attorney's fees to be fixed by the court, notwithstanding any agreement to work for such lesser wage. In such action, however, the employer shall be credited with any wages which have been paid upon account.

SEC. 19.—All questions of fact arising under this act shall be determined by the commission and there shall be no appeal from its decision upon said question of fact. Either employer or employee shall have the right of appeal to the superior court on questions of law.

SEC. 20.—The commission shall biennially make a report to the governor and state legislature of its investigations and proceedings.

SEC. 21.—There is hereby appropriated annually out of any moneys of the state treasury not otherwise appropriated, the sum of five thousand dollars ($5,000.00), or as much thereof as may be necessary to meet the expenses of the commission.

[Approved March 24, 1913.]

Acts of 1915. (*Chapter 68*).

Employment of Women and Children by Telephone Companies.

SECTION 1.—The industrial welfare commission is hereby authorized, in such manner as it shall deem advisable, and upon notice and hearing to parties directly affected thereby, to ascertain and establish such standards of wages, hours of work and conditions of labor of women and minors employed in the telephone industry in rural communities and in cities of less than three thousand (3,000) population, as shall be found to be reasonable and not detrimental to the health and morals of such women and minors and which shall be sufficient for the decent maintenance of such women and minors, and notwithstanding any statute heretofore passed or regulation of such commission heretofore made relative thereto: *Provided,* That nothing in this act contained shall be construed to amend or repeal any law or any regulation relating to wages, hours of labor or conditions of labor of women or minors excepting as in this act authorized. (Approved March 15, 1915.)

Wisconsin.

Enacted in 1913. (Chapter 712.)

An Act to create sections 1729s—1 to 1729s—12, inclusive, of the statutes, relating to the establishment of a living-wage for women and minors, and making an appropriation, and providing a penalty.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:

Section 1729s—1. The following terms as used in sections 1729s—1 to 1729s—12, inclusive, shall be construed as follows:

(1) The term "employer" shall mean and include every person, firm or corporation, agent, manager, representative, contractor, subcontractor or principal, or other person having control or direction of any person employed at any labor or responsible directly or indirectly for the wages of another.

(2) The term "employee" shall mean and include every person who is in receipt of or is entitled to any compensation for labor performed for any employer.

(3) The term "wage" and the term "wages" shall each mean any compensation for labor measured by time, piece or otherwise.

(4) The term "welfare" shall mean and include reasonable comfort, reasonable physical well-being, decency, and moral well-being.

(5) The term "living-wage" shall mean compensation for labor paid, whether by time, piece-work or otherwise, sufficient to enable the employee receiving it to maintain himself or herself under conditions consistent with his or her welfare.

Sec. 1729s—2. Every wage paid or agreed to be paid by any employer to any female or minor employee, except as otherwise provided in section 1729s—7, shall be not less than a living-wage.

Sec. 1729s—3. Any employer paying, offering to pay, or agreeing to pay to any female or minor employe a wage lower or less in value than a living wage shall be deemed guilty of a violation of sections 1729s—1 to 1729s—12, inclusive, of the statutes.

Sec. 1729s—4. It shall be the duty of the industrial commission and it shall have power, jurisdiction and authority to investigate, ascertain, determine and fix such reasonable classifications, and to issue general or special orders, determining the living wage, and to carry out the purposes of sections 1729s—1 to 1729s—12, inclusive, of the statutes. Such investigations, classifications and orders, and any action, proceeding, or suit to set aside, vacate or amend any such order of said commission, or to enjoin the enforcement thereof, shall be made pursuant to the proceeding in sections 2394—41 to 2394—70, inclusive, of the statutes, which are hereby made a part hereof, so far as not inconsistent with the provisions of sections 1729s—1 to 1729s—12, inclusive, of the statutes; and every order of the said commission shall have the same force and effect as the orders issued pursuant to said sections 2394—41 to 2394—70, inclusive, of the statutes, and the penalties therein shall apply to and be imposed for any violation of sections 1729s—1 to 1729s—12, inclusive, of the statutes.

Sec. 1729s—5. After July 1, 1913, the industrial commission may, upon its own initiative, and after July 1, 1914, the industrial commission shall, within twenty days after the filing of a verified complaint of any person setting forth that the wages paid to any female or minor employee in any occupation are not sufficient to enable such employee to maintain himself or herself under conditions consistent with his or her welfare, investigate and determine whether there is reasonable cause to believe that the wage paid to any female or minor employee is not a living wage.

Sec. 1729s—6. If, upon investigation, the commission finds that there is reasonable cause to believe that the wages paid to any female or minor employee are not a

State	Name		Members and Term	
	Commission	Advisory Board	Commission	
Arkansas Act 191	Minimum Wage Commission	Statute provides none	Commissioner of Labor and Statistics and two women	Statute
California Ch. 324, Laws 1913; amended Ch. 571, Laws 1915	Industrial Welfare Commission	Wage Board (establishment optional)	5; 4 years 1 a woman	Equal of emp and a mission
Colorado Ch. 110, Laws 1913	State Wage Board	Statute provides none	3; 2 years 1 representative of labor, 1 employer, 1 a woman	Statute
Kansas Ch. 275, Laws 1915	Industrial Welfare Commission	Wage Board	3; 4 years. 1 a woman	3 repres 3 of em persons
Massachusetts Ch. 706, Laws 1912; amended by Ch. 330, 673, Laws 1913, Ch. 368, Laws 1914, Ch. 65, Laws 1915, Ch. 303, Laws 1916	Minimum Wage Commission	Wage Board (establishment mandatory for women)	3; 3 years 1 may be a woman, 1 an employer of female labor and 1 a representative of labor	Equal of emplo 1 or public
Minnesota Ch. 347, Laws 1913	Minimum Wage Commission	Advisory Board (establishment optional)	3; 2 years Commissioner of Labor, 1 employer of women, 1 woman secretary	3-10 re ers, sa more re at leas women
*Nebraska Ch. 211, Laws 1913	Minimum Wage Commission	Wage Board (establishment mandatory for women)	4; 2 years Governor, Deputy Commissioner of Labor, member Political Science Department of State University, 1 citizen of State (1 a woman)	Not les of emp and the of Com
Oregon Ch. 62, Laws 1913; amended Ch. 35, Laws 1915	Industrial Welfare Commission	Conference (establishment optional)	3; 3 years 1 representative of employing class, 1 of employed, 1 of public	Not m tives o ployees, ers
Utah Ch. 63, Laws 1913	Commissioner of Immigration, Labor and Statistics	Statute provides none		
Washington Ch. 174, Laws 1913; amended Ch. 68, Laws 1915	Industrial Welfare Commission	Conference (establishment optional)	5; 4 years Commissioner of Labor, 4 persons, none of whom has been within 5 years member of any employers' association or labor union	Equal of empl and 1 of publ
Wisconsin Ch. 712, Laws 1913	Industrial Commission	Advisory Wage Board (establishment mandatory)	3; 6 years	"Selecte sent e the pu

*Inoperative since 1915.

State	Name		Members and Term of Office		Power to Fix	Method of Determ
	Commission	Advisory Board	Commission	Advisory Board		
Arkansas Act 191	Minimum Wage Commission	Statute provides none	Commissioner of Labor and Statistics and two women	Statute provides none	Minimum wages lower or higher than rates fixed in the Act for women and minor female workers in any occupation except in hotels, restaurants and telephone establishments	Minimum wage fixed in the Ac day for experienced female wor of the Commission: 1. Investi 3. Promulgation of higher or l
California Ch. 324, Laws 1913; amended Ch. 571, Laws 1915	Industrial Welfare Commission	Wage Board (establishment optional)	5; 4 years 1 a woman	Equal number representatives of employers and employees and a representative of Commission	Minimum wages, maximum hours and conditions of labor for women and minors under 18 in any occupation	1. Investigation by Commission mendations by advisory board, jection by Commission. 3. Pu sion. 4. Promulgation of order petition or on its own motion, alter or amend
Colorado Ch. 110, Laws 1913	State Wage Board	Statute provides none	3; 2 years 1 representative of labor, 1 employer, 1 a woman	Statute provides none	Minimum wages for women and minors under 18 in any mercantile, manufacturing, laundry, hotel, restaurant, telephone or telegraph business	1. Same as California. 2. S Same as California. 4. Same provides none
Kansas Ch. 275, Laws 1915	Industrial Welfare Commission	Wage Board	3; 4 years. 1 a woman	3 representatives of employers, 3 of employees and 1 or more persons to represent public	Minimum wages, maximum hours and conditions of labor for women and minors in any occupation	1, 2, 3, and 4. Same as Califo chusett
Massachusetts Ch. 706, Laws 1912; amended by Ch. 330, 673, Laws 1913, Ch. 368, Laws 1914, Ch. 65, Laws 1915, Ch. 303, Laws 1916	Minimum Wage Commission	Wage Board (establishment mandatory for women)	3; 3 years 1 may be a woman, 1 an employer of female labor and 1 a representative of labor	Equal number representatives of employers and of employees, 1 or more representatives of public	Minimum wages for women and minors under 18 in any occupation	1. Same as California. 2. San as California. 4. Publication o dations. Names of employers wage may be published. 5. sion may reconvene advisory one
Minnesota Ch. 347, Laws 1913	Minimum Wage Commission	Advisory Board (establishment optional)	3; 2 years Commissioner of Labor, 1 employer of women, 1 woman secretary	3-10 representatives of employers, same of employees, 1 or more representatives of public; at least one-fifth of all to be women	Minimum wages for women and minors under 21 in any occupation	1. Same as California. 2. Publ 3. Report and recommendatio appointed), subject to change sion. 4. Same as California. own motion, Commission may
•Nebraska Ch. 211, Laws 1913	Minimum Wage Commission	Wage Board (establishment mandatory for women)	4; 2 years Governor, Deputy Commissioner of Labor, member Political Science Department of State University, 1 citizen of State (1 a woman)	Not less than 3 representatives of employers, 3 of employees, and the 3 appointed members of Commission	Same as Massachusetts	1, 2, 3. Same as California. 4. of Commission's recommendatio employers not paying recomm Massachusetts
Oregon Ch. 62, Laws 1913; amended Ch. 35, Laws 1915	Industrial Welfare Commission	Conference (establishment optional)	3; 3 years 1 representative of employing class, 1 of employed, 1 of public	Not more than 3 representatives of employers, 3 of employees, 1 or more commissioners	Same as California	1, 2, 3 and 4. Same as Califo none
Utah Ch. 63, Laws 1913	Commissioner of Immigration, Labor and Statistics	Statute provides none			Minimum wages for women fixed in the Act	Minimum wages fixed by Act not less than $1
Washington Ch. 174, Laws 1913; amended Ch. 68, Laws 1915	Industrial Welfare Commission	Conference (establishment optional)	5; 4 years Commissioner of Labor, 4 persons, none of whom has been within 5 years member of any employers' association or labor union	Equal number representatives of employers and of employees and 1 or more representatives of public	Minimum wages and conditions of labor for women and minors under 18 in any occupation	1. Same as California. 2. Pu sion. 3. Report and recommen (if appointed), subject to cha mission. 4. Same as Califor chusetts
Wisconsin Ch. 712, Laws 1913	Industrial Commission	Advisory Wage Board (establishment mandatory)	3; 6 years	"Selected so as fairly to represent employers, employees and the public"	Minimum wages, maximum hours and conditions of labor for women and minors in any occupation	1. Same as California. 2. Ad determinations. 3. Promulga petition, hearing may be held

F THE AMERICAN MINIMUM WAGE LEGISLATION.

	Method of Determining Wage	Basis of Determining Wage	Special Regulations For Defectives	Special Regulations For Learners	Penalties for Violation	Court Review
or the r fe- cupa- stau- blish-	Minimum wage fixed in the Act not less than $1.25 per day for experienced female workers. In addition powers of the Commission: 1. Investigation. 2. Public hearing. 3. Promulgation of higher or lower rate	To supply the necessary cost for proper living and to maintain the health and welfare	Statute provides none	Not less than $1.00 a day for not more than 6 months	Not less than $25 nor more than $100. Each day of non-compliance separate offense	Statute provides none
inum labor under	1. Investigation by Commission. 2. Report and Recommendations by advisory board, subject to change or rejection by Commission. 3. Public hearing by Commission. 4. Promulgation of order. 5. After rehearing upon petition or on its own motion, Commission may rescind, alter or amend	To supply necessary cost of proper living and to maintain the health and welfare	Special license for women renewable semi-annually; Commission may fix number	Special license for apprentices and learners; Commission may fix number	Not less than $50; imprisonment for not less than 30 days, or both; applies to wage rulings only	Superior Court
omen s in rting, tele-	1. Same as California. 2. Statute provides none. 3. Same as California. 4. Same as California. 5. Statute provides none	To supply necessary cost of living, to maintain in health and supply the necessary comforts of life; also the financial condition of the business	Special license for women	Statute provides none	Not more than $1000, imprisonment for not more than 3 months, or both	District Court
mum labor any	1, 2, 3, and 4. Same as California. 5. Same as Massachusetts	To supply necessary cost of living and to maintain the worker in health	Special license	Special license for learners and apprentices and all minors	Not less than $25 nor more than $100 for each offense	District Court
men any	1. Same as California. 2. Same as California. 3. Same as California. 4. Publication of Commission's recommendations. Names of employers not paying recommended wage may be published. 5. Upon petition, Commission may reconvene advisory board or establish new one	To supply necessary cost of living and to maintain the worker in health; also the financial condition of the occupation	Same as Colorado	Special rates for learners and apprentices	Name may be published by Commission; $100 for newspaper refusing	Supreme Judicial Court or Superior Court
men any	1. Same as California. 2. Public hearing by Commission. 3. Report and recommendations by advisory board (if appointed), subject to change or rejection by Commission. 4. Same as California. 5. On petition, or on its own motion, Commission may order new rates	To maintain worker in health and supply the necessary comforts and conditions of reasonable life	Special license for women; not more than one-tenth of workers employed in any establishment	Same as Massachusetts	For each offense not less than $10 or more than $50, or imprisonment for not less than 10 or more than 60 days	Statute provides none
	1, 2, 3. Same as California. 4. Publication in newspapers of Commission's recommendations and names and pay of employers not paying recommended wage. 5. Same as Massachusetts	Same as Massachusetts	Same as Colorado	Same as Massachusetts	Publication of name in newspapers by Commission; $100 for newspapers refusing	District Court
	1, 2, 3 and 4. Same as California. 5. Statute provides none	To supply necessary cost of living and to maintain in health	Same as Colorado	Same as Massachusetts	Not less than $25 nor more than $100; imprisonment not less than 10 days or more than 3 months, or both	Circuit Court
n	Minimum wages fixed by Act: For experienced adults not less than $1.25 per day		None provided in statute	Females under 18 not less than 75 cts. per day; adult learners and apprentices not less than 90 cts. per day	Penalty for misdemeanor	Statute provides none
ons tors	1. Same as California. 2. Public hearing by Commission. 3. Report and recommendations by advisory board (if appointed), subject to change or rejection by Commission. 4. Same as California. 5. Same as Massachusetts	Same as Oregon	Same as Colorado	Special license, time limit to be fixed by Commission	Not less than $25 nor more than $1000	Superior Court
wo- ear ay	1. Same as California. 2. Advisory board to assist in determinations. 3. Promulgation of order. 4. Upon petition, hearing may be held and order changed	Compensation sufficient to enable employee to maintain himself or herself under conditions consistent with his or her welfare	Special license for women and minors	Minors in a "trade industry" shall be indentured	Not less than $10 nor more than $100 for each offense	Circuit Court

living-wage, it shall appoint an advisory wage board, selected so as fairly to represent employers, employees and the public, to assist in its investigations and determinations. The living-wage so determined upon shall be the living-wage for all female or minor employees, within the same class as established by the classifications of the commission.

SEC. 1729s—7. The industrial commission shall make rules and regulations whereby any female or minor unable to earn the living-wage theretofore determined upon, shall be granted a license to work for a wage which shall be commensurate with his or her ability. Each license so granted shall establish a wage for the licensee, and no licensee shall be employed at a wage less than the rate so established.

SEC. 1729s—8. 1. All minors working in an occupation for which a living-wage has been established for minors, and who shall have no trade, shall, if employed in an occupation which is a trade industry, be indentured under the provisions of sections 2377 to 2386, inclusive, of the statutes.

2. A "trade" or a "trade industry" within the meaning of this act shall be a trade or an industry involving physical labor and characterized by mechanical skill and traning such as render a period of instruction reasonably necessary. The industrial commission shall investigate, determine and declare what occupations and industries are included within the phrase a "trade" or a "trade industry".

3. All minors working in an occupation for which a living-wage has been established for minors but which is not a trade industry, who have no trade, shall be subject to the same provisions as minors between the ages of fourteen and sixteen as provided in section 1728c—1 of the statutes.

4. The industrial commission may make exceptions to the operation of subsections 1 and 2 of this section where conditions make their application unreasonable.

Sec. 1729s—9. Every employer employing three or more females or minors shall register with the industrial commission, on blanks to be supplied by the commission. In filling out the blank he shall state separately the number of females and the number of minors employed by him, their age, sex, wages and the nature of the work at which they are employed, and shall give such other information relative to the work performed and the wages received as the industrial commission requires. Each employer shall also keep a record of the names and addresses of all women and minors employed by him, the hours of employment and wages of each, and such other records as the industrial commission requires.

Sec. 1729s—10. Any employer who discharges or threatens to discharge, or in any way discriminates, or threatens to discriminate against any employee because the employee has testified or is about to testify, or because the employer believes that the employee may testify, in any investigation or proceeding relative to the enforcement of this act, is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of twenty-five dollars for each offense.

Sec. 1729s—11. Each day during which any employer shall employ a person for whom a living-wage has been fixed at a wage less than the living-wage fixed shall constitute a separate and distinct violation of sections 1729s—1 to 1729s—12, inclusive, of the statutes.

Sec. 1729s—12. Any person may register with the industrial commission a complaint that the wages paid to an employee for whom a living-wage has been established, are less than that rate, and the industrial commission shall investigate the matter and take all proceedings necessary to enforce the payment of a wage not less than the living-wage.

[Approved July 31, 1914.]

STATE	PART OF STATE	INDUSTRY OR OCCUPATION	WORKERS AGE	WORKERS Cl
Arkansas	All	Manufacturing (except cotton factories and canneries) mechanical, mercantile, laundry, express, transportation, restaurant.	Any	Exp Learner pr
		Telephone		Exp App 1st 2nd to
		Millinery		Exp App 1st to 4th to
California	All	Fruit and Vegetable Canning	Any	Exp Inexp
		Cutting apricots, pears, peaches		
		Cutting tomatoes		
		Canning (size of can 2½ to 10)		
Massachusetts	All	Brush Industry	Any	Exp Lear app
		Laundry	Any	Experie dinar Learner pr Under 3 6 9
		Retail Stores	19 and over	Experie dinar
			18 and over	Learner pr
			17 and over Under 17	
		Women's clothing factories (cloak, suit, skirt, dress and waist shops)	19½ and over 18 and over Under 18	Experie dinar Learner pr

ERS	MINIMUM WAGES			STATE	PART OF STATE	INDUSTRY OR OCCUPATION	WO AGE
CLASS	TIME RATES	PIECE RATES	REMARKS				
Experienced. Learners and apprentices.	$1.25 daily $1.00 daily		Held experienced after 6 months	**Minnesota***	First class cities 2nd, 3rd and 4th class cities Outside	Mercantile, office, waitress, hairdressing occupations	Any
Experienced. Apprentices: 1st month 2nd to 6th month	$1.25 daily $20. monthly $1 daily				First class cities 2nd, 3rd and 4th class cities Outside	Manufacturing, mechanical, telephone, telegraph, laundry, dyeing, dry cleaning, lunch room, restaurant or hotel occupation	
Experienced. Apprentices: 1st to 4th month 4th to 6th month	$1.25 daily $15 to $20 monthly $1.00 daily						
Experienced. Inexperienced.	16c. per hour 13c. per hour	5c. to 15c. per 40 lbs. 3c. per 12 qts. .01c. to .036c. per dozen cans	Held experienced after 3 weeks Rate for overtime (12 hours allowed weekly for women over 18 years) at least 1¼ times stated rates	**Oregon**	Portland	Manufacturing, personal service, laundry, telephone, telegraph, public housekeeping Mercantile. Office.	Over 18
Experienced Learners and apprentices	15½c. per hour 65% of above (about 10c.)	At least 15½c. per hour	Apprenticeship not more than one year		Outside Portland	Same as in Portland	Over 18
Experienced, of ordinary ability. Learners and apprentices: Under 3 Months 3-6 " 6-9 " 9-12 "	$8. weekly $6. weekly $6.50 " $7. " $7.50 "		Held experienced after one year, if absences have not been of unreasonable duration. Females of less than ordinary ability may be paid less by special license		All	Mercantile, manufacturing, personal service, laundry, telegraph, office, public housekeeping Telephone	
Experienced, of ordinary ability. Learners and apprentices.	$8.50 weekly $7. weekly $6. " $5. "		Same as laundries, after reaching age of 18. Extra or part-time workers to receive at least same scale of pay pro rata for time actually employed.		All	Any occupation	16-18
Experienced, of ordinary ability. Learners and apprentices.	$8.75 weekly $7. " $6. "	Same as time rates for week of full-time work.	Held experienced after 1½ years, after reaching age of 18, if absences have not been of unreasonable duration. Females of less than ordinary ability may be paid less by special license				

*Inoperative on account of injunction.

UM WAGE REGULATIONS FOR WOMEN.

JANUARY, 1917.

WORKERS		MINIMUM WAGES					
AGE	CLASS	TIME RATES	PIECE RATES	REMARKS	STATE	PART OF STATE	INDUSTRY OR OCCUPATION
Any	Experienced women and minors of ordinary ability. Does not apply to learners and apprentices	$9 weekly $8.50 weekly $8 weekly			**Utah**	All	All
		$8.75 weekly $8.25 weekly $8 weekly			**Washington**	All	Mercantile (includes cigar and news stands)
Over 18	Experienced	$8.64 weekly $9.25 weekly $40. monthly	$8.64 weekly, average for at least 75% of employes, applies only to manufacturing and laundry.	Held experienced after 1 year			Factory establishment Laundries and dyeworks Telegraph
Over 18	Experienced	$8.25 weekly	$8.25 weekly, average for at least 75% of employes, applies only to manufacturing and laundry.	Same		Seattle Tacoma, Spokane	Telephone
	Apprentices: 1st 4 months 2nd " " 3rd " " Apprentices: 1st 3 months 2nd " " 3rd " " 4th " "	$6. weekly $7. " $8. " $6. weekly $6.60 " $7.20 " $7.80 "	$6. weekly after 3 weeks, applies only to manufacturing and laundry.	Same		Other cities and towns All	Office work
16-18		$6. weekly except as otherwise arranged by commission.					Hotel, restaurant, lunch room occupation except waitresses in hotels and restaurants

STATE	PART OF STATE	INDUSTRY OR OCCUPATION	WORKERS		MINIMUM WAGES		REMARKS
			AGE	CLASS	TIME RATES	PIECE RATES *	
Utah	All	All	Over 18	Experienced	$1.25 daily		Held experienced after 1 year
				Apprentices	$.90 daily		
			Under 18		$.75 daily		
Washington	All	Mercantile (includes cigar and news stands)	Over 18	Experienced.	$10. weekly		Commission may issue licenses for apprentices good for not more than one year. Not more than 17% of adult female employes may be apprentices, of whom only 50% may be paid less than $7.50*
				Apprentices:			
				1st 6 months	$6. "		
				2nd 6 months	$7.50 "		
			Under 18		$6. "		
		Factory establishment	Over 18	Experienced.	$8.90 weekly	Must average stated rates by the month	Licenses issued to apprentices. Range from $1.50 to $8 weekly
			Under 18		$6. "		
		Laundries and dyeworks	Over 18	Experienced.	$9. weekly		Not more than 25% of adult females may be apprentices
			Under 18	Apprentices:			
				1st two months	$6. "		
				3-6 months	$7.50 "		
		Telegraph	Over 18	Experienced.	$9. weekly		
				Apprentices:			
				1st 6 months	$6.50 "		
				2nd 6 months	$7.75 "		
			Under 18		$6. "		
	Seattle Tacoma, Spokane	Telephone	Over 18	Experienced.	$9. weekly		
				Apprentices:			
				1st two months	$6. weekly		
				3-5 "	$6.60 "		
				5-7 "	$7.20 "		
				7-9 "	$7.80 "		
	Other cities and towns			1st three months	$6. "		
				4-9 "	$7.50 "		
	All	Office work	Under 18		$6. weekly		
			Over 18	Experienced	$10. weekly		
				Apprentices:			
				General office work 1st five months	$7.50 weekly		
				Stenography and book-keeping, 1st two months	$8. weekly		
			16-18		$7.50 weekly		
			Under 16		$6. "		
		Hotel, restaurant, lunch room occupation except waitresses in hotels and restaurants	Over 18		$7.50 weekly		

*For detailed apprenticeship rulings, see Second Biennial Report, Washington Industrial Welfare Commission.

PART SECOND.

Experience Upon Which the Legislation Providing for the Establishment of a Minimum Wage for Women is Based.

I. THE EVILS OF LOW WAGES.

A. BAD EFFECT OF LOW WAGES ON THE PUBLIC HEALTH.

(1) Injuries to the Workers.

Authorities agree that the adequacy or inadequacy of wages determines the standard of health of the workers, and hence the standard of public health. No one can maintain health whose earnings are too small to afford the necessities of existence, and to obtain these necessities adequate wages are indispensable.

The dangers to the health of women from low wages are two-fold: lack of adequate nourishment and lack of medical care in sickness.

1.—Investigation proves that with insufficient wages, food is necessarily cut down below the level of subsistence. In order to meet unavoidable expenses for lodging and clothing, working women often reduce their diet to the lowest possible point and health inevitably suffers. Moreover persons who are underfed suffer greater injury from insufficient clothing than those who are well nourished.

2.—Investigation proves that workers receiving the lowest wages are able to spend least on the maintenance of health. Hence they are often without care in sickness, although their need is greatest by reason of low earnings

and consequent hardship. Expenditures for medical treatment increase as income increases. But among the lowest paid workers, the percentage of income spent for the care of health has been found highest.

New York State Department of Health. Health News, Monthly Bulletin. December, 1915. Tropical Sanitation in Its Relation to General Sanitation. Address Delivered at the Fifteenth Annual Conference of Health Officers of New York State, Rochester, September, 1915. W. C. GORGAS, *Surgeon General, United States Army.*

In 1904 our government undertook the construction of the Panama canal. On account of the success of the work at Havana, I was placed in charge of sanitation at Panama. For a period in 1905, when yellow fever was at its height, we found ourselves among a panic-stricken population who believed that we were cranks and fools. Our superiors on the Isthmus at this time had become affected by the prevailing panic and were reporting to the authorities at Washington that our work had failed and were asking that we be relieved, and that men more practical and sane replace us.

This report would have ended sanitary work at Panama along the lines of modern tropical sanitation had it been acted upon.

For the two years succeeding this time we were given the loyal support of our superiors and by the middle of 1907 the work was accomplished. The request for our dismissal was made by the Commission in June, 1905. In September, 1905, the last case of yellow fever occurred in the city of Panama, and only one case has occurred in the Republic of Panama since that time. All health conditions rapidly improved; and soon the Isthmus, as to health, compared favorably with many parts of the United States.

The eradication of yellow fever and the control of certain other maladies was undoubtedly due to the spe-

cial measures taken against these diseases. But these special measures could have had no effect upon health conditions. For the last fifteen years I have given a great deal of thought to this matter. What did we do at Havana and Panama to cause the great general improvement in health conditions which took place shortly after our arrival at both places, and has since continued?

At Panama shortly after our arrival we increased the wages of the common laborers from eleven cents an hour to twenty cents an hour. This was nearly four times the wages of the laborer in the surrounding countries. The laborer knew that every fourth man would die each year of diseases prevalent on the Isthmus and it took strong inducements to get him to come at all.

This large increase in wages caused a great general improvement in all living conditions—more room to live in, better food, and better clothing. I am satisfied that to this improvement in social conditions, caused by our high wages, we principally owe our extraordinary improvement in general health conditions. It is a health officer's duty to urge forward in his community those measures which will control individual diseases, but my long experience has taught me, that it is still more his duty to take that broader view of life which goes to the root of bad hygiene, and do what he can to elevate the general social conditions of his community. This, my experience has taught me, can best be accomplished by increasing wages. (369-70.)

United States Public Health Service. Bulletin No. 76. March, 1916. Health Insurance: Its Relation to the Public Health. B. S. WARREN, *Surgeon, U. S. Public Health Service, and* EDGAR SYDENSTRICKER, *Public Health Statistician, U. S. Public Health Service.*

It is well recognized that the unfavorable conditions under which a large proportion of wageworkers and their families live constitute a baffling problem in the treatment of the sick and in the prevention of disease. Yet

the larger aspect of this phase of the question does not appear until the great extent of these unfavorable conditions is realized. (Page 18.)

Inadequate diet.—The frequent lack of a properly balanced and adequate diet among wageworkers and their families is a factor entering into the problem of their health which has probably been noted by nearly every physician and health and charity worker. The recent findings of Goldberger show clearly that an unbalanced diet causes pellagra, a disease which is found more frequently among low-paid workers than among the well to do. Furthermore, while diet is not a specific factor in the causation of tuberculosis, as in pellagra, the undernourished prove easy victims to the tubercle bacillus. A committee of the American Association for Labor Legislation has stated:*

"With insufficient wages, food is cut down below the level of subsistence. In order to meet expenses for lodging and clothing, working women reduce their diet to the lowest possible point. Health inevitably suffers."

Nearly every investigation by minimum wage commissions has shown that a very large proportion of the independent women workers in all sections of the country are unable to provide enough food and the right kind of food on the wages they receive, and proper subsistence has been thoroughly established as one of the fundamental considerations in the fixing of minimum wages in a number of States.

Extent of inadequate diet.—Income statistics published by the Federal and State Governments in the last few years indicate that a considerable proportion of the families of wageworkers have not been able to maintain a diet that will provide for proper nourishment. A larger proportion can maintain an adequate diet only at the sacrifice of healthful environment and of other items which go to constitute a reasonable standard of living.

* Constitutional Amendments relating to Labor Legislation and Brief in their Defense, submitted to the Constitutional Convention of New York State by a Committee organized by the American Association for Labor Legislation, 1915.

There can be no doubt that nourishing food is sacrificed in a large number of instances in order to obtain some of the comforts and amusements and to gratify some of the wants which are entirely natural and to be expected of the average American.

An examination of a number of studies of the budgets of American workingmen's families indicates that the point of adequate subsistence is not reached until the family income is about $800 a year.

Less than half of the wage earners' families in the United States have an annual income of that size, according to all statistics of income for workingmen's families. If this be true, over half of the families of American wage earners must either lower their standard of life in other respects in order to have an adequate diet, or make sacrifices in their diet in order to secure healthful housing, favorable community environment, and a few of the reasonable comforts. Professor Chapin's study of the budgets and standard of living of several hundred typical workingmen's families in New York City in 1908 affords an illustration of this condition. An analysis made by Professor Underhill of the nutrition values of the food of these families showed that the proportion of underfed families were as follows:

TABLE 2.

Family incomes and percentages of underfed families in each income group.

Family income	Per cent. of underfed families	Family income	Per cent. of underfed families
$400-$599	76	$900-$1,099	9
$600-$799	32	$1,100 and over	0
$800-$899	22		

"This means," comments Prof. Chapin, "that with less than $600 to spend for all purposes, an adequate food supply is not provided, and that on from $600 to

$800 incomes 1 family in 3 is underfed, while less than 1 in 10 of the families having $900 and $1,000 to spend fell short of the minimum for food." (Page 20.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Volume IV. Appendix VII. Living On Six Dollars a Week.

About three hundred girls and women, living in the large cities all over the state, were interviewed and the account of their expenditures carefully tabulated. The fact most strikingly brought out by this study is that on less than a living wage, one or another item—essential to every normal person's budget—is reduced to a minimum or dropped entirely. . . .

Cutting Down on Food.

"If I were paying a regular sum—say $4 or $5 a week for board, I never could get along in the world," one girl said. "It's only by being able to cut down on food when I need to that I can manage at all." The food budget for herself and her sister who are clubbing together with another clerk proves this statement to be true, for it varies from $3 a week to $1.20.

Another little girl of twenty, who is getting $6.50 a week in the millinery work room of a large department store, laughingly said: "I buy my suits with my lunches. Usually I have rolls and coffee for breakfast—that's 10c. —then a sandwich and a glass of milk—that's 15c. for lunch—and then a real good 25c. treat for dinner. But, of course, when I have to pay for a suit or a hat or a pair of shoes it's different. Then I have one meal and perhaps two a day until the bill's paid." . . .

"Another girl of twenty-two was sick last winter and absent from work for a week. The doctors called her illness "general anaemia". "Worn out" and "exhausted" were the words which they used. Her story, later learned in detail, was a sufficient explanation of this breakdown. She never eats any breakfasts, having found out by experience that breakfast was the easiest

meal for her to leave out. She is a clerk getting $6 a week as saleslady in the white goods department of a large up-state store. "You see I've figured it all out," she said, "I pay $2 for my room—that bill has to be met every week. Then once a month 25c. is taken out of my pay envelope for the store Benefit Fund. That also is regular and can't be cut down. I've got to dress decent to keep my job. If I didn't spend $1.25 a week on clothes they'd fire me sure. So you see yourself the only thing that is left me to economize on is food." Fifteen or 20c. is the highest amount she ever pays for lunch and dinner. "You know sometimes I just long for a good 30c. meal," she said. "But I haven't the price of it in my pocketbook so what can I do? I get so tired of those 20c. dinners year in and year out, that often I think I'd rather not eat at all." (Pages 1675-76.)

No Provision for Savings or Sickness.

In every normal person's budget savings form as important an item as food or rent or clothing. The lack of savings, therefore, results from underpayment as much as the lack of food or proper living quarters. And the budget of many thousands of working girls will reveal this lack. . . .

The inroads that sickness make upon the yearly budget are strikingly brought out in a detailed account of expenditures kept for several months by a little widow working in a paper-box concern. Mrs. R., ever since her husband's death six years ago, has been working with the same firm. Recently she was promoted to inspector because of her capable, skilled working record. She inspects about 30,000 boxes a day watching for twelve defects on each box and receives $5 a week.

The daughter, the only other member of the family, earns $6, this combined $11 wage being the only source of income. When all goes well the account shows an average expenditure of $4.25 a week for food. $4.08, $4, $4.50, $4.58, $4.03, etc., are the exact amounts entered. But when Mrs. R. was sick, the amount spent for food dropped to $2.98 and $2.88. Later on when Mrs. R. re-

ceived a raise in salary it jumped to $6. The account also shows that, while Mrs. R. was sick and absent from work only two entire weeks and part of two other weeks, she could save nothing for seven weeks, although heretofore savings had been a regular part of her budget. She could allow no expenditure for incidentals for seven weeks and no expenditure for pleasure for nine weeks. (Pages 1686-88.)

*The Industrial Commission of Ohio. Department of Investigation and Statistics. Report No. 14. 1915. Cost of Living of Working Women in Ohio.**

A third method, among women and girl workers, of reducing expenses for meals is entirely to dispense with breakfast or to eat only fruit, or perhaps a cereal that requires no cooking. Girls who are having a hard fight to stretch a small income may also omit some other meal than breakfast, especially when they are trying to save money for some special purpose, such as the monthly room rent or shoes. The seriousness of a wage situation which is such that women and girls are compelled to forego meals to meet expenses, requires no comment.

It is around this elemental problem of food and shelter that the battle of life centers for the low paid woman worker. Numerous entries in the account books testify to the stress under which the workers who kept them lived. . . .

Many budgets and accounts which had to be excluded from the general tables because their various items could not be expressed in definite money values were most striking commentaries on the struggle for food and shelter. (Page 48.)

Two budgets and accounts kept by two friends in a large city, these being used both in the tabulation of budgets and of daily accounts, are conclusive evidence of the terrible nearness of the actual want which faces the low paid woman worker. The daily accounts of these

*208 women and girls furnished daily accounts for periods varying from four to six weeks each.

workers were kept for five weeks each. Both of the young women were twenty-three years of age and both had completed grammar school. Their total income for the budget year were $294 and $300 respectively, in a factory occupation at the rate of $6 per week. Every item of the budget shows the bitterness of economy to which these girls were driven. The weekly rate for food and shelter for one was $4.14, for the other $4.34. As a sidelight on other items in their budgets, clothing expenditures for each were between thirty and thirty-five dollars for the year.

Both girls contrived to keep even, by means of the most rigid economy, as long as they worked on full time. But during the five week period for which the account books were being kept, the industrial depression affected the plant where the girls worked and they were employed only on part time. The simple entries of those two account books tell the story of what happened in unforgetable fashion. First breakfast disappeared, but for a day or two lunch, which has formerly been a ten cent meal, became a fifteen cent meal. It soon dropped back to its old figure. Next the evening meal disappeared, and these girls were actually on a one meal a day basis and that one meal was a ten or fifteen cent lunch. Presently a kindly neighbor discovered the plight of the girls, and began to invite them to take occasional meals with her. Over and over on the same page with a ten-cent entry for lunch appears the entry "Supper at Mrs. Brown's."

At last the uncle of one of the girls discovered their difficulties. He offered them a home with him in another town until they could again find employment at a wage which would enable them to live, and they gave up the struggle and accepted his offer. (Pages 49-50.)

In examining the daily records of 208 women, kept for an average period of 6 weeks, one cannot help being struck by the meagreness of expenditure for meals in many cases, and the absence of items for breakfast or lunch. Often a sundae takes the place of lunch or a bag of cakes or fruit goes for the evening meal, and some

instances were found of women going day after day with only one meal, but from the health view point these are dubious methods of economizing.

National Health Insurance. Report of the Departmental Committee on Sickness Benefit Claims under the National Insurance Act, 1914. Appendix. Vol. I. Minutes of Evidence. (*Cd., 7687.*) *London, 1914.*

Mr. J. A. Jefferson, Actuary of the National Amalgamated Approved Society.

The other point is that low wages not only induce malingering, but also cause sickness. Many women are not able to obtain proper nourishment, and so on. We believe that quite a percentage of the excess sickness can be accounted for by real genuine sickness, which in the past owing to the circumstances of the worker has had to be ignored. By this we mean that we are sure that whereas, prior to the Act, female members would in large numbers continue their employment, when as a matter of fact, they were not physically fit to do so, now that they can receive the benefit, which is quite a significant proportion of their wages, they declare on the fund, and prefer to lose the difference between their wages and their sickness benefit rather than go to work in a damaged state of health, and obtain a larger amount of cash. (Page 210.)

Biennial Report of the Wisconsin Bureau of Labor and Industrial Statistics, 1907-1908. Women Workers in Milwaukee Tanneries. Irene Osgood, *Special Agent.*

In the tanneries so far as could be observed, no great amount of serious illness existed. To be sure, many complained that the work "makes us sick". Many had trouble with their eyes. Many declared they "couldn't eat". Some complained of injuries from over-lifting. Tuberculosis, too, was suspected in some cases and con-

firmed in several. But the great harm to the health of women in such work is the general and almost imperceptible undermining of the reserve power of the individual.

Men who are on a salary, or who are independent, may work long hours for many weeks, but to such there usually comes a time when they may take a rest without losing their incomes. This difference is too often ignored by well-to-do managers and superintendents who sometimes find great personal satisfaction in making comparisons between their long day and night business vigils and the ten-hour work day of their employees. The business manager may go to Europe for a month without losing his income. The salaried worker has his regular vacation. But if the wage-worker stops, the pay check stops too. If a factory girl is extremely tired or is really ill in the morning, she goes to work just the same. She does a poor day's work and drags herself home still more worn and dejected. And this continues. Her nervous system and youthful bodily strength give way little by little until ability to resist disease practically disappears. (Pages 1060-61.)

The Standard of Living Among Workingmen's Families. Robert Coit Chapin, *Professor of Economics and Finance, Beloit College, Wisconsin. Russell Sage Foundation Publication. New York. 1909.*

In order to secure evidence as to the nutritive value of the food reported by the families interviewed, 100 schedules selected so as to represent all nationalities and income-groups were sent for examination to Professor Frank P. Underhill, assistant professor of Physical Chemistry in Yale University. While the returns were not stated with scientific exactness as to the amount of each article consumed, and no allowance could be made for wastes, a rough approximation to the nutritive value of the dietary was calculated, which may be considered to throw much light on the question of the adequacy of the food provided. . . . On the basis of the prices pre-

vailing in the summer of 1907, Dr. Underhill found that the families which spent at the rate of less than 22 cents per man per day were not receiving enough food to maintain physical efficiency;* that is, for less than this amount the family did not purchase materials sufficient to provide a minimum allowance of 100 to 125 grams of protein and 2500 to 3000 calories of fuel for the tissues. (Pages 125-126.)

Applying the minimum suggested by Dr. Underhill, 22 cents per man per day, we have the result shown in Table 63 (page 141). The showing by income-groups is as follows:

Income	Total Number of Families	—Underfed Families— (22 cents per man per day and under) Number	Per Cent.
$400 to $599	25	19	76
600 to 799	151	48	32
800 to 899	73	16	22
900 to 1099	94	8	9
1100 and over	48	0	0
	391	91	23.2

This means that with less than $600 to spend for all purposes, an adequate food-supply is not provided, and that on from $600 to $800 incomes 1 family in 3 is underfed, while less than 1 in 10 of the families having $900 and $1,000 to spend fell short of the minimum for food. (Pages 127-128.)

Table 93 (page 188) shows more clearly how expenditure for the cure of sickness increases as income increases. The table shows the number of families, by income and nationality, that report spending less than $10, from $10 to $20, and so on. It will be seen that the number of families reporting the smaller sums is greatest in the lower income-groups and vice versa. Of the 132

* Dr. Atwater, from data gathered 1896-7, estimated the cost at 23-25 cents per man per day.

families with incomes between $600 and $800 that report expenditure for health 48.5 per cent. spend less than $10, as against 36.6 per cent. of the 82 families with incomes of from $900 to $1,100 that report expenditure for health. On the other hand expenditures of $75 and over are reported by 13.4 per cent. of the families in the upper income classes ($900 to $1,099), and by but 3.8 per cent. of the families in the lower income classes ($600 to $799). (Pages 182 and 183.)

An examination of the cases of serious illness shows how such an illness draws on the slender resources of the family. An American family, for instance, in the $700 income group, reports spending $41.60 for a child who did not live, and for the mother, who suffers from nervous prostration. In another case in the same income group an expenditure of $41 is reported, with the statement that the mother had pleuropneumonia, following the birth of a child. These families spent 6 per cent. of their income, or three weeks' wages of the man, for relief in sickness. Items of $31, $24.50, $33, $53 must involve an even heavier burden on the families with from $600 to $700 that report them. In many cases where these expenditures on health-account are high, there is evident curtailment of expenditure in other directions. An abnormally low expenditure for the man's clothing appears in one schedule, wherein it is stated also that the man was laid up in the hospital for several weeks. In other cases where doctor's bills are large, expenditures for amusement and recreation and for miscellaneous purposes disappear.

To judge from all these data, it seems that the liability to disease does not vary greatly in the different income groups represented in our schedules, nor in different nationalities, but that the resources available for combating disease are much more limited among families with only $700 or $800 to live on. These families are accordingly thrown upon dispensaries and other free medical assistance, or else their members are left to succumb to the attacks of disease without adequate medical aid. If the family undertakes to make better provision at its own charges, the result is a lowering of the standard of living

at some other point. An income of less than $800 does not permit expenditures sufficient to care properly for the health of the family. (Pages 184 and 185.)

The Living Wage of Women Workers. A Study of Incomes and Expenditures of 450 Women Workers in the City of Boston. LOUISE M. BOSWORTH, *Fellow, Women's Educational and Industrial Union. Longmans, Green & Co., New York, 1911.*

The problem of getting a sufficient supply of wholesome food at a price within her means is probably the most serious one that the woman on a small wage has to face. With nourishing, plentiful meals, other problems become less serious, and are met with comparative ease, but in an ill-nourished condition courage and initiative wane, perplexities multiply, and the woman loses heart for the struggle. (Page 40.)

It is true that a smaller amount spent for food may mean very much more adequate nourishment when the cooking is done at home. It is a question, however, whether the expenditure of strength which this exacts from a tired woman does not offset the advantage of more wholesome food. The landlady of one girl remarked, "Miss I—— often doesn't have any dinners. She gets home at 7 P. M. from the factory, and is too tired either to go out to dinner and climb the five long flights to her room or to cook anything for herself." And this is not an infrequent case. "I know that I ought to get my meals regularly," said another girl, "but when I get home I am so tired that I don't feel like fussing to go out and buy stuff and bring it home and cook it." (Page 44.)

The standard of living in respect to food varies considerably for different occupations. . . . The factory worker pays the smallest amount for food; her entire expenditure is only $2.84 per week, or 38.64 per cent. of her income. (Page 45.)

Expenditure for health varies considerably for different occupations and wage groups, both in respect to amount of outlay and its proportion to income. It is not

possible, however, to draw definite conclusions from the figures as to the effect on health of workers in the various occupations and wage groups. Workers receiving low wages are often obliged to do without needed medical treatment, although by reason of small earnings and consequent hardship they may need it the more. (Page 76.)

. . . The percentage of income expended for health by the factory woman is also the highest, 6.27 per cent. The percentages for other classes are: Saleswomen, 5.33; professional, 3.79; waitress, 3.14; kitchen, 2.52. It may be concluded, therefore, that factory women as a class have a comparatively heavy burden in caring for their health. **(Page 76.)**

United States Congress. Senate Document No. 645. Report on Condition of Woman and Child Wage Earners in the United States. Vol. V. Wage-Earning Women in Stores and Factories. 61st Congress, 2nd Session, 1911.

In all too many instances the reader will find, between the expenditures for the current and incidental necessaries and the average earnings, little or no margin for clothes. Usually this has but one meaning: The girls have given the cost of such food as they get for themselves when other demands are not more urgent. When clothes must be purchased, when emergencies arise, something must be cut from the expenditures for the current necessaries in order to meet the demand for periodic necessaries. It is wholly intelligible and quite pardonable that the majority of these girls, whose earnings were inadequate, should have concealed the methods of making up the deficit. It is but the impulse of the self-respecting to "put the best foot forward". "You see I'm dieting," said a frail slip of a department store girl as she held out her tray upon which the cafeteria cashier, in the presence of the Bureau's agent, put a 2-cent check, covering the cost of the girl's lunch—a small dish of tapioca. She may have been dieting, but the evidences were pathetically against the need thereof, and there were some

things telling other tales to a thoughtful observer. The girl's shoes and waist and skirt were plainly getting weary of well doing, and to hold her position as saleswoman they must soon be replaced. Was she finding a way? She is given, not as an illustration of the majority, but as a type of many whose earnings are inadequate. . . .

"Oh, my; where would we get our clothes if we bought meat every day?" was the way in which one of the group of four housekeeping girls answered the query as to this detail of housekeeping expenses. A woman who had spent ten years keeping a lodging house for factory and department store girls, not as a philanthropy, but as a means of livelihood, said to the agent: "The girls' stories to the contrary notwithstanding, very few of those getting their own meals have adequate breakfasts. In some cases, of course, this is due to a desire to sleep late in the morning, but in most cases it is due to the necessity of making ends meet—when the wardrobe must be replenished, or when additional contributions to dependent relatives must be made, or doctor's bills or medicines make demands upon the meager earnings." (Pages 17-18.)

Taking up first for detailed study the women keeping house, represented, as we have seen, by 267, or 16.6 per cent., of the total of 1,607 for whom the information necessary was secured. (Page 54.)

For the woman keeping house the average cost of food, shelter, heat, light, and laundry is $3.18, and the average weekly earnings are $6.57. There is left $3.39 out of which she must pay for the clothes and living of herself and dependents, and for doctor bills and other inevitable expenses.

It would seem sufficiently obvious from these facts that there will be no margin for recreation or amusement for the woman with such responsibilities as the entire dependence of one or more persons entails, and 17.2 per cent. of the women keeping house have these responsibilities. More than that, her standard of living must be low, and her time, strength, and energy all exhausted in the effort to gain a livelihood. Besides working all day in

the factory or shop or store, she has to do the cooking, sewing, and housework also, with sometimes the inefficient help of a child too young, or a relative too old or incapacitated to work.

Sometimes, too, the work of the day is supplemented with work at home in order to earn enough to meet the necessary expenses. A number of women take in washing besides their regular work. (Page 57.)

But if they are thrown entirely on their own resources their problem is more difficult. As has been said, they must be good managers; but "good management" in many cases consists in going without food. Usually it is breakfast or luncheon. In a cafeteria in the city, where many women employed in stores get their luncheon, the cashier is often told "I have forgotten my purse; will you trust me until next Tuesday?" when the cashier knows that next Tuesday is just after the next pay day and the girl hasn't the money to pay for her food, and is too proud to tell the truth. The cashier stated to the agent that, with very few exceptions, the women are honorable and pay the money as soon as they get it. (Pages 185-186.)

The Standard of Living Among the Industrial People of America. Frank Hatch Streightoff. *Houghton Mifflin Co., Boston and New York, 1911.*

Since physical health is indispensable to the highest intellectual development, food is the foundation of mental as well as bodily efficiency. Properly to perform its physiological functions, diet must have two constituents —proteids for body building, and fats and carbohydrates to furnish energy, whether for immediate use or to be stored against future demands. (Page 86.)

Although there has been much discussion as to the amount of food really needed by human beings, the question has never been settled. Professor W. O. Atwater concluded that a man at moderately active work should have 115 grams, or .25 pound, of available protein, and enough fats and carbohydrates to produce in all 3,400 calories of heat. (Page 87.)

Clothing, Mrs. Richards calls "the corollary of food". While diet furnishes the material from which tissue is created and renewed, and the energy by means of which the body does its work, good clothes, like the packing about a steam pipe, act as an insulator—conserve the body heat. A man sufficiently dressed does not need so much food as one poorly clothed. Conversely, a well-nourished man does not need so many clothes as one underfed. (Page 103.)

A clear understanding of what the standard of living is permits some appreciation of its significance. In the first place, unless the standard includes adequate food, clothing and shelter, health will inevitably suffer and the race will degenerate physically. If, on the contrary, men obtain a proper satisfaction of these fundamental wants, not only will health be preserved and improved, but a foundation will be laid for intellectual progress. (Page 7.)

Report of the Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

The proposition that underlies this interference with the contractual relations of employer and employee is that, on the broad scale and in the long run, earnings as distinct from wages, cannot be less than the necessary cost of maintaining the worker alive and in health. No mechanical or labor-saving device used in industry can be worth less than the cost of its manufacture and maintenance. The normal human worker cannot earn less than a like cost. (Page 18.)

The proposed legislation is therefore recommended for the following reasons:

1—It would promote the general welfare of the State because it would tend to protect the women workers, and particularly the younger women workers, from the economic distress that leads to impaired health and inefficiency. (Pages 25-26.)

The unhealthfulness of the trade, however, has a vital connection with wages. The workers' earnings should

enable them to live well enough to preserve their health and strength at a normal point, or they should be sufficient to compensate for time lost because of illness due to the occupation, and to allow them to save against the day when they may well be broken down. (Page 144.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage-Earners in Oregon, with Special Reference to Portland. CAROLINE J. GLEASON. *Portland, Oregon, 1913.*

The investigation has proved beyond a doubt that a large majority of self-supporting women in the state are earning less than it costs them to live decently; that many are receiving subsidiary help from their homes, which thus contribute to the profits of their employers; that those who do not receive assistance from relatives are breaking down in health from lack of proper nourishing food and comfortable lodging quarters, or are supplementing their wages by money received from immoral living. (Page 24.)

Department store girls adrift rise nearer to a decent standard when they spend $118 per year, or nearly $10 per month for room rent. Board for them amounts on the average to $196.26, or $16.35 per month, which is 54 cents per day. This is divided between toast and coffee for breakfast, 10c; for lunch, meat, bread and tea, 15c; or salad, dessert and tea, 15c; and for dinner whatever they can manage to order for 25 cents. Picture these menus as a source of energy for ten hours' work in a factory or store, and two or three more hours' work "at home" in the evening. The average spent for one month on both room and board is $26.18, a sum which, it has been shown, will cover the cost of room and board when bargained for at one time. (Page 61.)

The investigation showed the fact that many young women avoid a doctor's care because of the expense, and sometimes because they know that it will mean an order

to stop work—an order which to them seems impossible to fulfill. Medicines and eye-glasses are items which must not be forgotten here. Both are a decided expense, but the latter often means a repeated one on account of breakage. (Page 65.)

Poverty. A Study of Town Life. B. S. Rowntree, (*Director in the Firm of Rowntree and Co., Ltd., Manufacturers of Cocoa*). *Macmillan, London, 1901.*

Particulars were obtained regarding 11,560 families. (Page 26.)

Unless an unreasonably stringent diet be adopted, the means to purchase a sufficient supply of nourishing food are not possessed by the laborers and their families. The serious physiological effects of inadequate food have already been pointed out, and they are powerfully attested by the health statistics. But it may be doubted if the English public has yet recognized their economic importance. The relation of food to industrial efficiency is so obvious and so direct as to be a commonplace amongst students of political economy. "What an employer will get out of his workman," as a well-known economist has reminded us, "will depend very much on what he first gets into him." (Page 260.)

If his diet be liberal, his work may be mighty. If he be underfed, he must underwork. . . .

. . . If adequate nourishment be necessary to efficiency, the highest commercial success will be impossible so long as large numbers even of the most sober and industrious of the laboring classes receive but three-fourths of the necessary amount of food. (Page 261.)

Women's Work and Wages. A Phase of Life in an Industrial City. Edward Cadbury, M. Cecile Matheson, and George Shann. *T. Fisher Unwin, London, 1906.*

How is this anomaly of taking a woman's life and giving her less than the living wage of her standard

affecting the woman of England? We have mentioned the results in the premature narrowing or ageing of many of our educated workers; we could mention more if we could get statistics of nervous collapse and illness or search the lists of homes and institutions. Fortunately, some women who have not the ability or good fortune to reach the top of their profession escape the results of under-payment through their private circumstances. Many of all classes accept the downward pressure as inevitable, and quietly shrink out of sight and descend step by step. Take the lower classes, and we come to the great crowd of those who just live, are content with their lives, and remain where they are in an easy acquiescence, marry, and work on in one way or another until death cuts them off, or old age and infirmity make them turn to indoor or outdoor relief. And the great crowd of those lower still, who just do not make enough on which to live, who are always underfed and under-clothed; what of them? (Page 189.)

The Prevention of Destitution. SIDNEY AND BEATRICE WEBB. *Longmans, Green & Co., London, 1911.*

. . . Any doctor who stops to think can tell us that the actual loss of wages through ill-health in the wage-earning class must run into many millions sterling every year—certainly a hundred times as much as the loss by strikes and lockouts. What is more serious is that it is just among the poorest section of the wage earners that this loss of earnings through ill-health is greatest, not only because the casual laborers and the sweated home-workers have most ill-health, but also because, in the absence of those more humane arrangements which are enjoyed by clerks, by domestic servants and sometimes by workmen employed at weekly or monthly rates, it is just among the poorest section that a day's absence from work most invariably means the loss of a day's wages. To the ten or twelve millions of the population existing in the United Kingdom on earnings of less than a pound a week for the whole family

the constant drain of sickness is a perpetual menace to their economic independence. Let the sickness rise above the normal and down goes the family into the morass of destitution. (Pages 17-18.)

A large amount of the sickness in working class households is due simply to the lack of food, to the overcrowding of the dwelling, to the inability to take either adequate rest or precautions against exposure, all this arising directly from want of money. An enormous proportion of the child destitution that we have described comes, not from any carelessness or cruelty of the parents, but from sheer insufficiency of income to permit those who are neither saints or geniuses to obtain good nurture for their children. It is quite true that, so far as concerns all the sickness and child destitution arising solely from the parents' insufficiency of earnings, by far the best method of prevention is to insure to every willing worker regular employment at an adequate wage. (Pages 86-87.)

(2) Injuries to the Next Generation.

Health is the foundation of the state. It is a matter of common knowledge, universally accepted, that when the health of women has been injured in industrial work, not only is the working efficiency of the community impaired, but the deterioration is handed down to succeeding generations. The health of the race is conditioned upon preserving the health of women, the future mothers of the Republic.

Report of the Chief Factory Inspector of Illinois, 1915.

The bill providing for the means to establish minimum wage rates for women was considered in joint session of the Committee on Industrial Affairs of the House and Committee on Labor, Mines and Mining of the Senate. The joint committees recommended the separate committees' favorable action on the bill. Pointing out the serious consequences of the condition that requires women to work for less than a living wage, John H. Walker, chairman of the Joint Labor Legislative Board, sent the following letter to the Legislature:

It means not only the breaking down physically of the future mothers of our race, and an influence to the deterioration of their children, it means starvation and undernourishment on the part of those who are required to earn their own living and that the weaker will be forced to depend on charity in order to get whatever additional is necessary to keep them, which must necessarily develop a spirit of subserviency and dependency and the undermining of their self-respect, continually resulting in the degeneration of the moral fiber not only of themselves but of the future generation. (Page 18.)

Report of the Massachusetts State Board of Health, 1873. Edward Jarvis, M. D.

All additions to the physical, moral, or intellectual power of individuals in any individual are, to that ex-

tent, additions to the energy and the productive force—the effectiveness of the State; and on the contrary, all deductions from these forces, whether of mind or body—every sickness, and injury or disability, every impairment of energy—take so much from the mental force, the safe administration of the body politic. . . .

The State thus has an interest not only in the prosperity, but also in the health and strength and effective power of each one of its members. (Page 336.)

Report of the New York Bureau of Labor Statistics, 1884. Hygiene of Occupations. Dr. Roger S. Tracy, *Sanitary Inspector of the Board of Health, New York.*

As the physical condition of women has such an important bearing on the welfare of the race, and on the health of future generations, it becomes fairly a question of government control. (Page 199.)

The Employment of Girls in Textile Industries of Pennsylvania. Peter Roberts. *American Academy of Political and Social Science. Annals, Vol. XXIII. May, 1904.*

Insufficient wages mean insufficient food, liability to diseases, industrial inefficiency, scanty clothing, cramped dwellings and a vitiated atmosphere. These women and young girls, who, under financial pressure, yield the strength so much needed in the building up of their frames, pay the penalty in headaches, toothaches, dyspepsia and sores, dragging pains and chronic anaemia. Do the medical profession find among these young mill hands that state of health which is normal among the young daughters of the professional classes? Communities where textile industries flourish are the scenes of degeneracy, and upon each generation rests a curse. The individuals who are exploited depart farther and farther from the higher type of womanhood which American civilization has held before the world. (Page 443.)

Physical and Medical Aspects of Labor and Industry. FREDERICK L. HOFFMANN, *Statistician Prudential Insurance Co. of America, Newark, N. J. American Academy of Political and Social Science. Annals, Vol. XXVII. May, 1906.*

. . . If the duration of life has, on the average, considerable economic value, then it manifestly must be to the advantage of the state and the employers of labor that nothing within reason be left undone to raise to the highest possible standard the level of national physique and of health and industrial efficiency. . . . The interests of the nation, of wage earners as a class, and of society as a whole, transcend the narrow and selfish interests of the short-sighted employers of labor who, disregarding the teachings of medical and other sciences, manage industry and permit the existence of conditions contrary to a sound industrial economy and a rational humanitarianism. There can be no question of doubt but that at the present time the average life and industrial efficiency of a workingman in the United States is not what it should be, and it is manifestly the duty of the State, of employers of labor, of labor associations, and of workingmen themselves to take the facts of the problem into consideration and by intelligent co-operation raise to the maximum the standard of life and health in American industry. (Page 484.)

Legislative Control of Women's Work. S. P. BRECKINRIDGE. *Journal of Political Economy, February, 1906.*

The assumption of control over the conditions under which industrial women are employed is one of the most significant features of recent legislative policy. In many of the advanced industrial communities the State not only undertakes to prescribe a minimum of decency, safety, and healthfulness, below which its wage earners may not be asked to go, but takes cognizance in several ways of sex differences and sex relationships.

. . . In the third place, the State sometimes takes cognizance of the peculiarly close relationship which exists between the health of its women citizens and the physical vigor of future generations. . . . It has been declared a matter of public concern that no group of its women workers should be allowed to unfit themselves . . . for the burden of motherhood which each of them should be able to assume. (Page 107.)

The object of such control is the protection of the physical well-being of the community by setting a limit to the exploitation of the improvident, unworkmanlike, unorganized women who are yet the mothers, actual or prospective, of the coming generation. (Pages 108, 109.)

Biennial Report of the Wisconsin Bureau of Labor and Industrial Statistics. 1907-1908. Industrial Hygiene and the Police Power. HENRY BAIRD FAVILL, *M. D.*

In the industrial world, health is the foundation of productiveness and the bulwark of economy. That society and progress depend utterly upon these factors can hardly be questioned. It is hence only necessary to reach a conclusion as to the fundamental importance of health as related to the product of any individual or to have a comprehensive grasp of the elements of waste and dissipation in social affairs to at once put the question of public health as a thing apart to be dealt with as a social problem irrespective of its particular bearing upon any class of citizens. (Page 480.)

We must study the relation of health to labor. . . . It is agreed that labor legislation must have its foundation in clear economic advantage. It is perhaps not so well agreed, but the idea is rapidly growing, that of all the factors of an economic advantage, health is the most crucial. Upon this hypothesis, therefore, the conclusion may rest, that the logical primary step is the establishment of broad and effective study of health as related to laboring conditions. (Pages 485-486.)

Report of the Nebraska Bureau of Labor and Industrial Statistics. 1907-1908.

Scientists and thinkers have pointed out that health and vitality are the capital of society. It follows, then, that any lessening or weakening of the natural power of womanhood over the race will be distinctly injurious. To lower the standard of bodily strength will bring a disastrous reaction on society later. . . . Prevention of these things is the object of about all of the laws passed in recent years by progressive States and Nations. In too many instances the laws are crude and give too wide a latitude for transgressors. (Page 33.)

The Federal Children's Bureau. Henry B. Favill, M. D. *Chicago, Ill. National Child Labor Committee. Proceedings of the Fifth Annual Conference. Chicago, Ill., 1909.*

Absolute control of the health of the individual can never be the function of the State. Control of the conditions under which the lives of the people shall be lived and their energies expended is an inevitable necessity. The State will approach this problem from the standpoint of self-preservation. Defective health is the foundation of crime, pauperism, and degeneracy, as well as that widespread inefficiency due to obvious disease.

All sociologic forces have come to recognize this fact. The physical well-being of the people is the deepest interest of the State. (Pages 37-38.)

Report of the Washington Bureau of Labor Statistics and Factory Inspection, 1909-1910.

The fact that many women, under existing conditions, are working continually on the verge of physical and nervous exhaustion cannot be contradicted. Their power of endurance is strained to the utmost at all times, and the element of recreation scarcely enters into their lives, for the reason that the hours not spent at their work must be devoted to an effort to regain their energy for to-morrow's toil.

Yet it is to these same women wage-earners that the state must look in large measure for the mothers of its future citizens, and it would appear, therefore, that the state has a vital interest in this phase of the situation. As a nation and as a state, we are devoting a great deal of thought and endeavor to the subject of conservation of our natural resources, and it is fair to ask if it is not worth while to give some attention to the problem of conserving and protecting the physical strength of our wage-earning womanhood. (Pages 11-12.)

Welfare Legislation for Women and Minors. Rev. Edwin V. O'Hara. *Portland, Oregon, 1912.*

The welfare of society imperatively demands the protection of women and minors from all grave and widespread influences which would undermine the health or morals of the former or retard or stunt the natural development of the latter. The physical health and moral character of womanhood are the *sine qua non* of social progress. The health and morals of the race will not rise above the standards maintained by the mothers of the race. We live in an age which is demanding better conditions for the rearing of children,—an age which is seriously discussing radical and revolutionary methods to provide that children shall be "well-born." The primary condition of healthy offspring is a healthy motherhood. . . . No commonwealth can hope to be perpetuated, not to say make progress, which fails to ward off from its women and children pernicious conditions of living and labor. (Page 3.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage-Earners in Oregon, With Special Reference to Portland. Caroline J. Gleason. *Portland, Oregon, 1913.*

The present conditions of labor for women in many industries are shown by this report to be gravely detri-

mental to their health; and since most women wage earners are potential mothers, the future health of the race is menaced. (Page 6.)

Present efficiency depends most surely upon a supply of food sufficient to keep up the worker's strength. Future efficiency as a mother depends upon keeping her health sound now; efficiency not only to bear children, but to raise them. We cannot expect a race of healthy nor of well governed children if the mothers-to-be are permitted to grow anaemic in their young womanhood. (Page 88.)

British Sessional Papers. Vol. XXI. 1833. Second Report of the . . . Commissioners for inquiring into the employment of Children in Factories. Reports by the Medical Commissioners.

Sir David Barry's report (Scotland):

Having on one occasion given a certificate to the effect that I believed that persons occupied in factories were not more subject to disease than those engaged in other occupations, and having, on further experience had reason to doubt the correctness of the views I then held, . . . On a similar certificate being presented to me last year, I declined to sign it. . . . I believe it will be found to be the case that nearly all the wives of weavers and many of those of labourers, formerly worked in factories; and even giving the circumstances of low wages, and consequent domestic privations, their due weight, I think we have reason to fear that the descendants of those people are physically deteriorating. . . . A. C. Kilgour, M. D. (Page 30.)

Six Centuries of Work and Wages. The History of English Labor. James E. Thorold Rogers, M. P. *Putnam, New York, 1884.*

A civilised people desires that they who produce its wealth should be intelligent, honest, thrifty, farseeing, prudent, and, to the fullest extent possible, cultivated and

well-mannered. It is impossible that these advantages should be secured, and the economies which they invariably effect secured with them, unless the workman is adequately remunerated for his labour, and is encouraged to hope. "The liberal reward of labour," says Adam Smith, "as it is the necessary effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the labouring poor, on the other hand, is the natural symptom that things are at a stand, and their starving condition that they are going fast backward." The first sentence is indisputably true; but the phenomena referred to in the second may be artificially induced, and were induced for a generation or two after Smith wrote. Employers will get labour cheap if they can; it is the business of the State to prevent them getting it so cheaply, that they imperil the future of the race by the process. (Pages 527-528.)

British Sessional Papers. Vol. XXXVII. 1893. Royal Commission on Labour: Report on the Employment of Women.

Again if we look at the children of women who have worked under the conditions mentioned, the evil effects are, if anything, more pronounced. Mothers with children from 1 to 10 or 12 years of age frequently come to us wondering why their children are so delicate. Neither of the parents nor any of their forbears are or were delicate and they cannot see why their children should be. But on inquiry it is found that the mothers worked either in shops, mills or warehouses under conditions not suitable to sound health, and debility, slight and unnoticed, takes hold of the constitution and it is only after some years of married life that the mischief shows itself in mother and children, and as an unhealthy tree cannot bring forth healthy fruit, no more can unhealthy mothers bring forth healthy children. . . . Lung troubles are frequently seen. The main complaints that have come before me are anæmia, muscular weakness, nervous prostration, and uterine, stomach, and intestinal troubles.

These complaints, which are very common and most damaging to the system, are interdependent and traceable to the few causes before mentioned. (Page 318.)

The Case for the Factory Acts. Edited by Mrs. Sidney Webb. *Richards, London, 1901.*

It may be enough for the individual employer if his work-people remain alive during the period for which he hires them. But for the continued efficiency of the nation's industry, it is indispensable that its citizens should not merely continue to exist for a few months or years, but should be well brought up as children, and maintained for their full normal life unimpaired in health, strength, and character. The human beings of a community form as truly a portion of its working capital as its land, its machinery, or its cattle. If the employers in a particular trade are able to take such advantage of the necessities of their workpeople as to hire them for wages actually insufficient to provide enough food, clothing, and shelter to maintain them and their children in health; if they are able to work them for hours so long as to deprive them of adequate rest and recreation; or if they subject them to conditions so dangerous or insanitary as positively to shorten their lives, that trade is clearly using up and destroying a part of the nation's working capital. (Pages 20-21.)

. . . Industries yielding only a bare minimum of momentary subsistence are therefore not really self-supporting. In deteriorating the physique, intelligence, and character of their operatives, they are drawing on the capital stock of the nation. And even if the using up is not actually so rapid as to prevent the "sweated" workers from producing a new generation to replace them, the trade is none the less parasitic. In persistently deteriorating the stock it employs, it is subtly draining away the vital energy of the community. It is taking from these workers, week by week, more than its wages can restore to them. A whole community might conceivably thus become parasitic on itself, or, rather, upon its future. (Page 22.)

British Sessional Papers. Vol. XXXII. 1904. Report of the Inter-Departmental Committee on Physical Deterioration. Vol. I.

251. A very general agreement was expressed that the factory employment of mothers had a bad effect on the offspring, both direct and indirect.

253. The three ladies quoted by Miss Anderson (Principal Lady Inspector of Factories) were unanimous as to the stress and strain involved in the "employment of women from girlhood, all through married life, and through child-bearing." (Page 47.)

Ibid. Memorandum on Employment of Mothers in Factories and Workshops. Miss A. M. ANDERSON, *H. M. Principal Lady Inspector of Factories.*

30. As to the general effect of these conditions on the health of the women and their children, Miss Squire for Lancashire, and Miss Paterson for Dundee report similarly:

"That it is the employment of women from childhood, all through married life, and through child-bearing, that impresses itself upon the mind . . . that it is useless for medical men and others not familiar with the conditions of mill life there to pronounce any opinion on the effect of factory work upon the mother and infant; they have no conception of the stress and strain and of the general conditions of life and work in these mills. (Vol. I, page 124.)

Labour Laws for Women in Australia and New Zealand. Women's Industrial Council. London, 1906.

The workers in these miserable trades deteriorate in health and efficiency, and their children growing up ill-nourished and unhealthy, continue the supply of cheap, inefficient, unorganized labor. Labor of this class, though cheap to the employer, is by no means cheap to the com-

munity. It continually helps to recruit the various classes of weaklings and degenerates; paupers, invalids, criminals, the mentally and morally deficient of various types. Employers who pay wages or maintain conditions insufficient for the health and efficiency of the employed are in reality accumulating a burden of sickness, poverty and incapacity, which in the end has to be borne by the taxpayer, and that is by no means the full extent of the evil, for the population itself in so far as it is engaged in or influenced by these industries tends to become deteriorated from one generation to another, and thus the parasitic trades are feeding on the very springs of national life and character. (Page 1.)

Sweating. Edward Cadbury *and* George Shann. *Headley Bros., London, 1907.*

Even if it were true that the community would have to pay for reform, it would be well worth the cost, for there are two sides to the account, and a slight examination shows that the community is already paying a price for the present condition of things, which is no less heavy because hidden and little realized by the majority of people.

One item in this cost is the diminished health and vitality of the sweated workers. Even if these men and women expend their miserably low wages with the utmost wisdom and efficiency, it is impossible for them to obtain the necessaries for health and comfort. The consequent low vitality predisposes them to attacks of illness in various forms. And this weakness is passed on to the children, because even if the children are born healthy, insanitary surroundings and poor and insufficient food tell their tale, and so a new generation of inefficients is reared. (Page 45.)

Stinting of necessaries for efficiency means a direct economic loss to the nation, because it is a degradation of the labor power of the community. (Page 50.)

It is amongst this class of people, also, that the highest rate of infant mortality is found. One woman known to

the writers, a match-box maker, has had seventeen children, out of which three only are alive. Nor is this an isolated case. The recent report of the Inter-Departmental Committee on Physical Deterioration, amongst other causes of physical degeneracy, emphasizes overcrowding, pollution of atmosphere, and bad conditions of employment. Now, although there are other reasons for poverty besides inadequate wages, it still remains that this is one of the causes that lead to overcrowding with all its accompanying insanitary surroundings. (Pages 55-56.)

When the degradation of labor reaches a certain point, the people affected tend to accept their lot and adapt themselves to the low standard of life. When the laborer cannot maintain himself at a reasonable standard of decency and comfort, the decline in industrial efficiency is rapid. (Page 64.)

The Working of the Trade Boards Act in Great Britain and Ireland. CONSTANCE SMITH. *The Journal of Political Economy, July, 1914.*

In the twenty years that elapsed between 1889 and 1909 the courses of the world combined to make plain the truth that economically we are all members one of another. Expert examination into the sources of national prosperity and national decline showed that even one unsound spot in the national organism is and must be the cause of weakness and corruption in the whole. Willingly or unwillingly, the wealth acquired by the underpayment of labour must needs pay toll toward the maintenance of those of whose incapacity, sickness, destitution, or crime such underpayment is the fruitful source. Thinking people began to realize that, however splendid the industrial superstructure, if its foundations be set in a mass of bad work and half-starved workers, if the building be reared above an abyss of inefficiency and misery into which those belonging to the higher working grades are in continual danger of slipping, carrying with them the children who are necessarily the hope of the next generation, the whole building must be

in peril. It was perceived that in the case of a large class of the community a lowering of both physique and morale was going on which must presently amount to a national danger. (Pages 607-608.)

Die Sociale Reform als Gebot des Wirthschaftlichen Fortschrittes. [*Social Reform as a Condition of Economic Progress.*] DR. HEINRICH HERKNER. *Duncker, Leipzig, 1891.*

The results of excessive work, insufficient wages and deficient nutrition appear with a distinctness that cannot be ignored in the reports of the recruiting statistics. A military examining physician of the empire (German) reported from a factory region:

"In the factory villages, where every one works from youth up in the factories, almost all recruits were unfit for service, and I believe that, if this goes on, it will be useless to send recruiting commissions to these communities". (Page 4.) (Quoted from Archiv. für öffentliche Gesundheitspflege in Elsass-Lothringen VII, 107.)

Verhandlungen des Deutschen Reichstags. 103 Sitzung. April 18, 1891. [*Proceedings of the German Reichstag. 103rd Session. April 18th, 1891.*]

Representative Bebel:

"The vast change in social and family life which is portended by the increasing pressure of women into industry has been strongly emphasized . . . there can be no doubt that the physique of the woman is not adapted to the same degree of muscular exertion and development as the man's. That the sound and healthy development of the race depends in large measure upon the strength and health of the mother is acknowledged, and no one can deny that the health of women today is seriously endangered by factory work. The one fact alone, that the military recruiting offices all over Germany have found that from decade to decade the number of physically fit recruits in factory and manufacturing districts is diminishing to an appalling extent, so that

it is necessary to draw more and more heavily upon the country regions—shows clear and plainly what kind of process is at work upon the development of the national physique, and the more extensive our industry becomes, and the more it invades the country regions, the more and more certainly will it exhaust those sources of strength which are now the only sources to look to for military defence.

"For these reasons it is absolutely essential that the laws should promptly provide ample means for overcoming this tendency to deterioration of race in every way". (Page 2420.)

Handbuch der Hygiene. Bd. 8[1]. [*Handbook of Hygiene. Vol. 8*[1].] *Edited by* Dr. Theodore Weyl. *Hygienische Fürsorge für Arbeiterinnen und deren Kinder.* [*Hygienic Care of Working Women and their children.*] Dr. Agnes Bluhm. *Jena, 1894.*

Two leading reasons exist for the newly developing codes of protective laws relating to woman in industry. She requires special care because:

1. She is physically not as strong as man.
2. She is the bearer of the future race whose health and vigor will be markedly influenced by hers, and the State must therefore feel the keenest interest in securing a vigorous and efficient posterity. (Page 83.)

Schriften der Gesellschaft für Soziale Reform, Heft 7-8. [*Publications of the Social Reform Society. Nos. 7 and 8.*] *Die Herabsetzung der Arbeitszeit für Frauen and die Erhohung des Schutzalters für jugendliche Arbeiter in Fabriken.* [*The Reduction of Women's Working Hours and the Raising of the Legal Working Age for Young Factory Employees.*] Dr. August Pieper *and* Hélène Simon. *Fischer, Jena, 1903.*

The protection of health takes precedence over everything else. The health of women is more quickly under-

mined in wage-earning occupations than that of men, partly because they are less strong and resistant and partly because they are burdened with domestic as well as industrial labor—more especially when, as married women, they have to care for a family. (Page 4.)

Whether the working woman as such is less resistant to injurious conditions than the working man is immaterial. What is important to remember is that her sex doubles the claims made upon her, and it is this that undermines her vital resistance. To the physiological burdens and the overwork due to a combination of housework and industrial toil, imperfect nutrition, and deficient recreation are often to be added—she has, in short, distinctly, an average standard of living that is inferior to that of men. (Page 91.)

La Protection légale des Travailleurs, est-elle Nécessaire? [*Is Legal Protection for Working People Necessary?*] M. Raoul Jay, *Professor of Law, University of Paris. Revue d'Économie Politique, T. XVI. February, 1902.*

The strength of the nation is the strength of the individuals that compose it. No one contests the terrible consequences that a nation must expect that subjects its children to labor which checks their physical and mental development. . . . But to safeguard the nation's interest it does not suffice merely to regulate child labor. "To protect the child and not to protect the mother is an absurdity." (Pages 148-149.)

B. BAD EFFECT ON MORALS.

Authorities agree in the opinion that while the underpayment of women and the consequent struggle to live may not be the primary cause for entering upon an immoral life, low wages are inextricably bound up with low morals. When wages are too low to supply nourishment and other human needs, temptation is more readily yielded to. Moreover by lowering all the standards of family life, through overcrowding and the like, low wages contribute indirectly to the deterioration of morals and predispose the underpaid workers to seek recreation by questionable means.

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Appendix III. Memorandum on the Relationship between Low Wages and the Vice Problem.

Statement of Martha P. Falconer, Superintendent, Girls' Department of the Glen Mills Schools, Sleighton Farms, Darling, Pa.

I believe that the low wage is a factor in the question of prostitution. The girl who is working for $2.50 or $4.50 per week and must give most of this to her parents to help keep the family together, is naturally going to find other ways of earning money for her clothing and recreation. Better wages alone cannot help unless we can enforce compulsory educational laws and rouse the community to providing recreation. (Page 393.)

If we are going to try to establish a minimum wage, let us at the same time insist upon industrial training in our rural schools and the enforcement of compulsory educational law. (Page 393.)

When these young girls from the mining centers and rural communities run away from home and come to the cities, they cannot earn enough to support themselves in a respectable way. We must keep them in school longer and give them better training while there. These

two things should be developed with vocational guidance and the establishment of minimum wage. The girl who is bright and trainable should get a better education; the mentally deficient must have custodial care. Now, we are treating them all alike. Outside of our large cities, after irregular attendance in schools of short terms, we are allowing them to drift in and out of mills and factories, incompetent, irresponsible, becoming a menace to the community later.

The low wage is a factor in the evil of prostitution. Let us try to keep the girl from rural communities and small towns away from the large cities and give her training first so she may have greater earning capacity. (Page 394.)

Statement of Maude E. Miner, Secretary, New York Probation and Protective Association.

No one condition is ever solely responsible for bringing a girl into a life of prostitution. Different forces which operate with varying pressure upon the girl, gradually break down the defenses and bring the individual to the point where she seems powerless to resist. Economic conditions constitute one of these factors. (Page 409.)

Great numbers of girls begin work at the age of 14, without any understanding of the moral dangers which await them; few have any training for work or skill in doing work; they take the first opening that is offered, without regard to their particular fitness for it; they are ignorant and inefficient as well as untrained, and do not make rapid progress in mastering the work; they become so fatigued with the endless mechanical operations and the incessant, monotonous work that will-power is undermined; the small wage they receive is frequently insufficient for the actual necessities of life so that someone must make up the deficit; they have little margin for recreation or for savings. When the slack season comes or there is a depression in business, they are thrown out of work without any provision for the future, and face the necessity of walking up and down the streets and answer-

ing innumerable advertisements in quest of other employment. Is it a wonder that some of these girls, pressed through hunger and want, fatigued and overstrained, fearing to face an irate father or mother, who demands that they work if they continue to live at home, follow the path of least resistance, accept the offers of men who make them flattering proposals, and soon find themselves in a life of prostitution?

In so far as the low wage affords less than is requisite for the necessities of life, and no margin of saving for the time of unemployment, in so far as it gives no chance for wholesome recreation and some of the little luxuries which the girlish heart craves, it is a force that tends to bring the girl who lacks the defenses of moral stamina and high ideals, and who has already taken the first steps in a life of immorality, into the abyss of prostitution. Although not one of the most important factors, the low wage is an element in causing girls to enter and remain in professional prostitution. (Pages 409-410.)

Statement of James Bronson Reynolds, Counsel, American Social Hygiene Association.

Though I have found no direct relation between low wages and vice, I have found an indirect relation between general poverty and vice. The poverty of the family of which the girl wage earners are members often subjects them to the enticements and dangers of vice. This poverty compels the daughters of the family to go out to work at an early age and to find entertainment in dance halls, public resorts and on the street. If they be weak of mind, weak of will or of reckless disposition the danger of their downfall is very great. (Page 412.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. V. Public Hearings.

Dr. Walter E. Weyl:

. . . I think the effect of low wages on vice has perhaps in some quarters been exaggerated. I do not be-

lieve that has a very direct relation. I think there is no doubt that a number of women are driven into prostitution, not so much by the direct effect of poverty as by the indirect effect. I do not think the question comes up to the girl, "Shall I sell myself in order to earn more than my six dollars wage," but I do think this, that the absence of amusement, the poorness and barrenness and ugliness of life, the worry and all that sort of thing, combined with unemployment, does tend powerfully in that direction. (Page 2762.)

Women and the Trades. Elizabeth Beardsley Butler. *The Pittsburgh Survey. Russell Sage Foundation Publication. New York, 1909.*

The pressure of low wages combined with the opportunities of a department store result in a social problem that cannot be ignored. Some employers are generally reputed among salesgirls to assume that their women employees secure financial backing from outside relationships, and knowingly pay wages that are supplementary rather than wages large enough to cover the cost of a girl's support. Questions asked of girls seeking employment cannot be otherwise interpreted. In other cases, probably in the majority, the rate of wages is fixed not by any reckoning on the part of the employer with unsocial conduct, but by the tradition of the occupation. It is assumed that shop girls are only partly self-supporting and need only work for pin-money. (Page 306.)

Yet the fact remains that, for the vast bulk of salesgirls, the wages paid are not sufficient for self-support; and where girls do not have families to fall back on, some go under-nourished, some sell themselves. And the store-employment which offers them this two-horned dilemma is replete with opportunities which in gradual, easy, attractive ways beckon to the second choice; a situation which a few employers not only seem to tolerate, but to encourage. (Page 307.)

Clearly, however, the tradition that a girl's father and brothers always help toward her support has be-

come, in the Pittsburgh district at least, in many cases illusory.

That a girl is one of a family group is quite as likely to indicate that she is chief breadwinner, as that her family is her chief bulwark against the world. (Pages 347-8.)

Few will hesitate to condemn the degradation that attends the woman who chooses unsocial means of self-support. Yet one form of subsidizing a wage-worker leads to another form of subsidizing, and so long as custom or fact renders the payment of a full living wage non-essential, economic needs impel many a girl toward a personally degrading life. (Pages 348-9.)

The Social Evil in Chicago. A Study of Existing Conditions With Recommendations by the Vice Commission of Chicago. Gunthorp-Warren Printing Company, Chicago, 1911.

The Economic Side of the Question. The life of an unprotected girl who tries to make a living in a great city is full of torturing temptations. First, she faces the problem of living on an inadequate wage: Six dollars a week is the average in mercantile establishments. . . .

The girl who has no home soon learns of "city poverty" all the more cruel to her because of the artificial contrasts. She quickly learns of the possibilities about her, of the joys of comfort, good food, entertainment, attractive clothes. Poverty becomes a menace and a snare. One who has not beheld the struggle or come in personal contact with the tempted soul of the underpaid girl can never realize what the poverty of the city means to her. One who has never seen her bravely fighting against such fearful odds will never understand. A day's sickness or a week out of work are tragedies in her life. They mean trips to the pawn broker's, meagre dinners, a weakened will, often a plunge into the abyss from which she so often never escapes.

Hundreds, if not thousands, of girls from country towns, and those born in the city but who have been thrown on their own resources, are compelled to live in

cheap boarding or rooming houses on the average wage of six dollars. How do they exist on this sum? It is impossible to figure it out on a mathematical basis. If the wage were eight dollars per week, and the girl paid two and a half dollars for her room, one dollar for laundry, and sixty cents for car fare, she would have less than fifty cents left at the end of the week. That is, provided she ate ten-cent breakfasts, fifteen cent luncheons and twenty-five cent dinners. But there is no doubt that many girls do live on even six dollars and do it honestly, but we can affirm that they do not have nourishing food, or comfortable shelter, or warm clothes, or any amusement, except perhaps free public dances, without outside help, either from charity in the shape of girls' clubs, or friends in the country home. How can she possibly exist, to say nothing of live?

Is it any wonder that a tempted girl who receives only six dollars per week working with her hands sells her body for twenty-five dollars per week when she learns there is a demand for it and men are willing to pay the price? On the one hand her employer demands honesty, faithfulness and a "clean and neat appearance," and for all this he contributes from his profits an average of six dollars for every week. . . . In the sad life of prostitution, on the other hand, we find that the employer demanding the surrender of her virtue pays her an average of twenty-five dollars per week. Which employer wins the half-starved child to his side in this unequal battle? It would be unjust, however, to cast any reflection upon those girls who are brave and pure, by intimating that because they earn so small a wage they must necessarily be in the same class with those other girls who, unable to survive longer the heroic battle against poverty and self-sacrifice, have succumbed and gone down.

. . . After an exhaustive study of the whole field the Commission feels that among the causes which influence girls and women to enter upon a life of semi-professional and professional prostitution are the following: First, lack of ethical teaching and religious instruction; second, the economic stress of industrial life on unskilled

workers, with the enfeebling influences on the will power; third, the large number of seasonal trades in which women are especially engaged. (Page 45.)

United States Congress. Senate Document No. 645. Report on Condition of Woman and Child Wage Earners in the United States. Vol. V. Wage-Earning Women in Stores and Factories. 61st Congress, 2nd Session, 1911.

The attitude of many department store employers in itself would indicate that the partially supported girl is the sole agent determining the wage level for herself as well as for her self-supporting sister. Some of the employers advertise for saleswomen, "preferably those living at home". Others have gone so far as to state to applicants that without other sources of income unless they live at home, girls cannot live honestly on the wages stores are accustomed to pay. (Page 22.)

The story of the superintendent of employees who says to the girl protesting against the small wage, "But haven't you a man friend to help support you?" is current in every city. Its very prevalence is the best proof that there is some reason for it. Department store officials quite generally and quite openly express a preference for girls living at home. A number of them said to the agents engaged in the investigation, with perfect frankness, that the wage offered did not permit the girl to live elsewhere. . . . (Page 30.)

How much the wage of the rank and file has to do with the moral plane and to what extent it is peculiar to the department store are exceedingly difficult questions to answer. In nearly all the cases which have come to notice during the investigation the first fall of the girl was either through her affection or her desire for a good time, while her continuance in the way of evil was beyond a reasonable doubt due to the large amount of money made available thereby.

The average wage, determining so largely the measure of living comforts within the reach of the girl, has a di-

rect bearing upon her moral welfare, particularly upon the moral welfare of the woman adrift. (Page 35.)

In private families the girl may or may not mingle in the social life of the family, but the chances are that she does, especially in the poorer homes. Here the close quarters often destroy all privacy, and the lodger or boarder becomes practically a member of the family. She uses all the rooms in common with the family, almost always sharing a room with some member of the family and, in some extreme cases, occupies a room with the landlady and her husband. If there are men lodgers in the house the entrance to their room is sometimes through the girl's room or vice versa. In one house visited the woman received the agent about 9 P. M. in the room of a man lodger, who had already gone to bed. This seemed to be the only available sitting room and disconcerted no one save the agent. While such conditions through custom and long usage lose the startling effect which they would have on one unused to them, they cannot help but blunt a girl's sense of proper relations with the other sex and foster standards which are not acceptable in this country. (Page 62.)

The boarding and lodging group is next in size to the private family group. Five hundred and forty-two, or 33.7 per cent., of all the women are living this way. (Page 62.)

Fifty-five per cent. of the boarding and lodging women had no house sitting room and no place other than their rooms in which to receive friends. It is a rare thing for a landlady to object to a girl entertaining her gentlemen friends in her bedroom, provided they do not stay too late and are quiet and orderly, and by that she means that they do not make such a noise as to disturb the whole house. Frequently, too, the girls visit the men lodgers of the house in their rooms, and the men return the calls. The only alternative to entertaining callers in their bedrooms is to meet them on the street. For these girls and women who live in boarding and lodging houses it has become so much a matter of course to receive men in their rooms that neither they nor their friends think anything

of it. It is the custom. If a woman has no other home than her room, she feels that in that room she must entertain her friends.

But even if the absence of a sitting room is not keenly felt, it is none the less an evil. Unfortunately the "gentlemen friends" are not always deserving of the name, the girls are often weak and easily led astray, and the free and easy intercourse which is nobody's business may end most disastrously. (Pages 66-67.)

Ibid. Vol. XV. Relation Between Occupation and Criminality of Women.

Do low wages, then, play no part at all in this matter of moral evil? The consensus of opinion was that as a direct and immediate cause of going wrong they were almost a negligible factor, but that indirectly their influence was marked and disastrous. In the whole inquiry only one case was found in which the workers dealing with the girl felt that she had been driven into wrong because she could not live upon the wages she could earn. Four other cases were found in which the fall was directly attributable to poverty, but in these cases the difficulty was due not to low wages, but to no wages at all.

It must be observed that this relates only to the initial wrong step, not to becoming a habitual wrongdoer after the first error has been made. It was generally agreed that while it is the rarest of things for a girl to enter upon an immoral life directly through want, yet when she has once gone wrong through thoughtlessness or affection or from any other cause, then low wages or irregular or insufficient wages are strongly effective in deciding her to adopt a life of promiscuous immorality, or in impelling her to drift into such a life without any definite decision.

When the question was shifted to the indirect effect of low wages and poverty the answer was very different. The girls were living at home in so many cases that the discussion necessarily dealt rather with the family income than with the girl's own immediate wages. Poverty, whether it be the result of a low family income, or

of insufficient wages for a girl living by herself, touches the question of immorality in many ways. It decides the girl's companionships, her amusements, her ability to gratify without danger her natural and reasonable tastes, her very capacity for resistance to temptation. Its physical effects open the way to moral dangers. It means overcrowding and bad sanitary conditions, and undernutrition or mal-nutrition, and insufficient or unsuitable clothing. A social worker with eight years' experience in one of the leading factory centers thus summarized the situation.

"Between the crowding and bad air, both at home and at their work, and the kind of food they eat, and the long hours and monotony of their employment, they are constantly in an abnormal state. They are feverish and uncomfortable; they want something, but they don't know what it is. They crave, with an intensity we can hardly realize, something to make them forget their discomfort, to divert their minds from the weariness of their lives. That is why they flock to these cheap amusement places, which are the only ones they can afford. There they find temptation on every hand, but they are in poor condition to resist it. The great wonder to me is that so few yield.

This estimate applies with local variations to every place visited. There was practical agreement that low wages do not drive girls wrong through want, but that indirectly they have considerable effect. (Pages 93-94.)

Report of Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

It is remarkable that more saleswomen do not turn to vice. It is impossible to say how many do. No estimate whatever can be made of the extent to which the workers are subsidized because of illicit relations with one or two men. Only a few of the women had the appearance of prostitutes. Women who were making a brave fight against tremendous odds were many times more often in evidence. (Page 90.)

The following stories are selected . . . from among a large number handed in by the investigators, as illus-

trating the urgent need of some working women for a living wage. . . .

Annie's mother died when she was a child and she was brought up by an older sister. Her father was a fireman and two brothers were also working, so they had a comfortable home. But her father was ill for a year and a half, and then died, all his savings consumed, just as Annie got started as a bundle girl at $2.50 a week. Soon after this both her brothers died, one by accident and the other of consumption, and later in the same year the sister died, too, and Annie was left alone, with $2.50 as her sole income. Friends were good to her and helped her as they could, but they too were poor, and Annie plainly could not live on what she could earn. She now earns $6 a week, but she works very irregularly. The forelady says: "Annie is so sweet and kindly that I always try to hide the fact that she is a continual absentee. I know nothing of her outside life. Yes, she has changed greatly in her appearance; she was such a pretty young thing and now she does look dissipated. But, poor girl, she has had a frightful time and girls can't live on their wages." Annie's wage card gives an average of $3.20 a week. She says she pays $4.84 a week for her room and board and 25 cents for light. When asked how she managed to pay more than she earned she began to cry bitterly and said: "But you know, no girl can live on $6 a week, let alone the $2.50 which was all I had when I first had to support myself. No girl can get by on that." (Pages 188 to 189.)

Report on The Wage-Earning Women of Kansas City. Board of Public Welfare, Bureau of Labor Statistics, Kansas City, 1913.

It would be unjust and incorrect to say that as a class those girls who are not receiving living wages are immoral. But it is clear that girls who receive insufficient wages to pay for the bare necessities of life, especially those living in boarding and lodging houses, are subjected to too great temptation, and that one should occasionally fall in consequence of this inability to secure not only the

necessities of life, but also nice clothes and amusements desired by every normal girl, is not a far-fetched theory.

An investigation by the Board of Public Welfare of 300 inmates of houses of ill fame in Kansas City showed that 154, or 51 per cent., received $6 a week or less when engaged in honorable pursuits, while only 10 per cent. received as much as $10 a week. Although 154 inmates in Kansas City's houses of ill fame received $6 a week or less prior to their downfall, the low wage received prior to their downfall cannot be taken as the sole cause. Poor home environment, unwholesome amusements, ignorance, etc., are all contributing factors to the vice problems and a girl's downfall may be due to a combination of these causes. However, the fact that there are a large number of girls in boarding and lodging houses who do not receive sufficient wages to cover their barest needs is evidence itself that there is an economic pressure that is likely, and no doubt does occasionally, influence the morality of many. Seventy of the 300 inmates of houses of ill fame in Kansas City stated the cause of their downfall was low wages. (Pages 80-81.)

Report of the Industrial Welfare Commission of the State of Washington on the Wages, Conditions of Work and Cost and Standards of Living of Women Wage-Earners in Washington. CAROLINE J. GLEASON. *Olympia, Washington, 1914.*

Effect of Low Wages on Morals of Women Workers.—Another phase of the wage question which must not be omitted is the effect of the application of the law on the morals of women workers. No well-informed person will urge that the morals of a self-supporting woman depend directly upon her wage. There are too many proofs to the contrary. This is true, however, that slow starvation will gradually break down a woman's power of resistance and her fall results not because at the particular moment she wants a square meal. It is more likely to be due to the fact that constant cravings of hunger have weakened her physical condition, her mental poise and her outlook on life. If the state of hunger

were not accompanied with chill of body and cheerless surroundings, her defeat might not be so complete. But this is an equally important fact, that once having entered upon a life of degradation and having enjoyed again the comfort of pleasant shelter and plenty of nourishing food, the inadequate wage she has left and the impossibility of receiving a higher one is the effectual bar which keeps her from returning to a moral life. (Page 90.)

Women's Work and Wages. A Phase of Life in an Industrial City. Edward Cadbury, M. Cecile Matheson *and* George Shann. *T. Fisher Unwin. London, 1906.*

To all who have gone in and out among them it must be a matter of continual marvel that so many of them are so good. There is a heroism rarely seen or recognized in the lives of these thousands who "keep respectable". For the rest, "There is one ghastly investigation still waiting on the economist". It is the aid to wages which is got from "the oldest trade in the world". That this is an economic element in the wage question is beyond all doubt. All of us know it. None of us has yet had the courage to measure it. Not till we do so will the world know the true cost of "cheap labor". (Pages 189-190.)

The Living Wage. Philip Snowden, M. P. *Hodder & Stoughton. London, 1913.*

Low wages are largely responsible for the material waste, for the physical loss and the industrial inefficiency described in this chapter; but the most serious of all the loss which is inflicted upon the community by low wages is that it destroys the intellects of the very poor and numbs their moral aspirations. Poverty is an opiate which produces a feeling of contentment with or resignation to conditions which ought to excite a righteous discontent. The heaviest price which is paid by the community for low wages is the loss of a rational ambition for better conditions. (Page 55.)

C. BAD EFFECT ON THE PUBLIC WELFARE.

(1) Injuries to General Standards of Living.

Investigation proves that the standard of living is fixed by the wages received. With insufficient wages, expenditures for living must be curtailed below the requirements of healthful existence. Overcrowding in housing with the consequent loss of all privacy, insufficient clothing, and the lack of all legitimate recreation, have been found to result from under-payment.

These privations involve not only individual suffering but a social loss. Where the individual's standards of living are too much depressed, the community's must inevitably decline.

No better gauge of the effects of inadequate wages upon standards of living exists than the rate of infant mortality in different communities. The investigations of the Federal Children's Bureau show that the infant mortality rate rises or falls almost *pari passu* with an increase or decrease in the family income.

United States Public Health Service. Bulletin No. 76. March, 1916. Health Insurance: Its Relation to the Public Health. B. S. Warren, *Surgeon, U. S. Public Health Service, and* Edgar Sydenstricker, *Public Health Statistician, U. S. Public Health Service.*

The growing realization of the fact that the health of the wage-working population depends in large measure upon economic conditions is leading to the conviction that there is need for more comprehensive measures for the relief and prevention of disease. The presence of a wage-working population in almost every community renders this problem a national as well as a local one. As the industrial population of the United States in-

creases, the need for an adequate solution of the problem becomes more pressing. (Page 5.)

The problem of the wageworkers' health is made more complex on account of economic factors. The "human scrap heap of industry" is not an imagined thing, but represents a very real and constant loss of industrial efficiency and waste of health and life that ought to be prevented. (Page 7.)

Among the more important economic factors which affect the health of the wage-working population may be mentioned the following:

The economic disadvantage at which a large proportion of wageworkers and their families are placed as the result of low wages and insufficient annual income. (Page 8.)

The findings of a committee of the American Iron and Steel Institute which visited a number of industrial towns are of especial significance in this connection.

These conditions are similar to those indicated by the mortality statistics of the Federal census for many localities where large numbers of low-paid wageworkers live. While the death rate for the entire registration area in 1913 was found to be 14.1 per 1,000, in certain communities where investigation has shown the prevalence of low wages and unfavorable sanitary conditions the rate was much higher. The higher rate in these communities was not attributable to occupational hazards, since it was above that of other communities where similar occupations prevailed. It is only necessary to note for example, that the death rate in 1913 for Fall River, Mass., was 17.2; for Johnstown, Pa., 16.9; for McKee's Rocks, Pa., 16.9; for Shenandoah, Pa., 18.9; and for Braddock, Pa., 23.2. As it is generally recognized that mortality returns in localities of this type are more or less incomplete, it is safe to say that the rates cited are lower than more thorough and complete vital statistics would show. (Page 26.)

Children's Bureau, United States Department of Labor, 1915. Infant Mortality. Results of a Field Study in Johnstown, Pa. Based on Births in One Calendar Year. EMMA DUKE.

"The method of the inquiry is in one respect unique, so far as we are aware. Instead of taking as its point of departure the death records of children who have not survived their first year, the birth records are first secured for all children born within a certain calendar year, and each child is then traced through the first 12 months of life, or as much of that period as he survives, in order to obtain information as to the conditions which surround all the children of the town born during the given year. (Page 7.)

"The Johnstown report shows a coincidence of underpaid fathers, overworked and ignorant mothers, and those hazards to the life of the offspring which individual parents can not avoid or control because they must be remedied by community action. All this points toward the imperative need of ascertaining a standard of life for the American family, a standard which must rest upon such betterment of conditions of work and pay as will permit parents to safeguard infants within the household. Toward the slow working out of the essentials of such a standard it is hoped that the bureau's continued studies into infant mortality may contribute." Letter of Transmissal—Julia C. Lathrop, Chief. (Pages 8-9.)

The term infant mortality, used technically, applies to deaths of babies under 1 year of age. An infant mortality rate is a statement of the number of deaths of such infants in a given year per 1,000 births in the same year. Some countries include still-births in making the computations, but this method is not generally followed in this country nor has it been followed in this report. (Page 11.)

When it had been decided by the Children's Bureau to make infant mortality the subject of its first field study and to include all babies born in a given calendar year, regardless of whether they lived or died during their first year, advice and co-operation were enlisted of

mothers, physicians, nurses, and others experienced in the care of children, and also of trained investigators and statisticians, in the preparation of a schedule which was submitted to them for criticism. (Page 12.)

Johnstown, Pa., was the first place selected. It is in a State where birth registration prevails and hence a record of practically all babies could be secured. (Page 12.)

Inasmuch as the study was confined to babies born in a single calendar year and work was begun in January, 1913, the latest year in which the babies could have been born and still have attained at least one full year of life was 1911.

Work was begun on January 15, 1913, with the transcription from the original records at Harrisburg of the names and other essential facts entered on the birth certificates of babies born in 1911, and, if the baby had died during its first year of life, items on the death certificate were also copied. (Page 13.)

The investigation was absolutely democratic; every mother of a baby born in 1911, rich or poor, native or foreign, was sought, and it is interesting to note refusals were met with in but two cases. (Page 13.)

There were 1,763 certificates copied at Harrisburg, 1,383 of the babies named in them were reached by the agents. In addition, 168 babies for whom there were no birth certificates, but who were located in the ways just noted, were included, making a total of 1,551 completed schedules secured.

Of the 380 not included in the investigation there were 149 who could not be located at all; 220 others had moved out of reach—that is, into another city or State; 6 of the mothers had died; 3 could not be found at home after several calls, and 2 refused to be interviewed. (Page 14.)

Economic Factors.

Earnings of Father.

A grouping of babies according to the income of the father shows the greatest incidence of infant deaths

where wages are lowest, and the smallest incidence where they are highest, indicating clearly the relation between low wages and ill health and infant deaths.

For all live babies born in wedlock the infant mortality rate is 130.7. It rises to 255.7 when the father earns less than $521 a year or less than $10 a week, and falls to 84 when he earns $1,200 or more or if his earnings are 'ample.'.* The variation in the infant mortality rate from one earnings group to another is not perfectly regular and consistent, but if any two or more consecutive groups are combined an invariable lowering of the infant mortality rate from one such combined group to that next higher results.

* "Ample" as used in this report has a somewhat arbitrary meaning. When information concerning the father's earnings was not available and the family showed no evidence of actual poverty, the word "ample" was used. If no information concerning earnings was available when, on the other hand, the family was clearly in a state of abject poverty, then the income was tabulated as "Under $521."

Table 30.

Distribution of Live Births and of Deaths During First Year, and Infant Mortality Rate, According to Annual Earnings of Father and Nativity of Mother, for Legitimate Live-Born Babies.

Annual earnings of father according to nativity of wife	Total live births	Deaths during first year	Infant mortality rate
Total	1,431	187	130.7
Under $625	384	82	213.5
Under $521	219	56	255.7
$521 to $624	165	26	157.6
$625 to $899	385	47	122.1
$625 to $779	224	24	107.1
$780 to $899	161	23	142.9
$900 or more	186	18	96.8
$900 to $1,199	138	14	101.4
$1,200 or more	48	4	83.3
Ample*	476	40	84.0
Husbands with native wives	785	76	96.8
Under $625	80	16	200.0
Under $521	32	9	†
$521 to $624	48	7	145.8
$625 to $899	193	20	103.6
$625 to $779	86	6	69.8
$780 to $899	107	14	130.8
$900 or more	129	10	77.5
$900 to $1,199	92	7	76.1
$1,200 or more	37	3	†
Ample*	383	30	78.3
Husbands with foreign wives	646	111	171.8
Under $625	304	66	217.1
Under $521	187	47	251.3
$521 to $624	117	19	162.4
$625 to $899	192	27	140.6
$625 to $779	138	18	130.4
$780 to $899	54	9	166.7
$900 or more	57	8	140.6
$900 to $1,199	46	7	152.2
$1,200 or more	11	1	†
Ample*	93	10	107.5

* See note on page 4.

† Total live births less than 50; base therefore considered too small to use in computing an infant mortality rate.

In considering the babies of native and of foreign mothers separately in the foregoing table, similar variations in mortality rates according to earnings of father are found, although the foreign infant death rate is higher in each group. The foreign are less numerous both actually and relatively in the higher wage groups. (Pages 45-46.)

Children's Bureau, United States Department of Labor, 1915. Infant Mortality, Montclair, N. J. A Study of Infant Mortality in a Suburban Community.

In view of the decision to include in this inquiry all babies born in Montclair in 1912, and to study the conditions surrounding them during their first year of life, the birth certificates were copied from the records of the health officer for all babies born in that year, and a 12-months' lapse of time from the date of birth was allowed in each case before the baby was visited; *i. e.*, a baby born in November, 1912, was not visited until after November, 1913, in order that the first 12 months of life might have been completed. (Pages 7-8.)

The infant mortality rate in this study is obtained by comparing the number of babies born alive in Montclair in 1912 and included in this study with the number of these same babies who died before they were a year old. The number of such deaths per 1,000 live births gives an exact infant mortality rate for the limited group considered. (Page 8.)

The results of the study in Montclair show that of the 402 babies included in the investigation 34 died before they were 1 year old, giving an infant mortality rate for this selected group of 1912 babies of 84.6 per 1,000 live births. (Page 11.)

Economic Status of the Family.

It is obvious that even the care given the baby by its mother often must be offset by the evils resulting from an income insufficient for the family's needs, since a low income frequently must involve undesirable housing ac-

commodations, an overworked mother, insufficient nourishment for mother and child, and lack of competent medical advice. Sir Arthur Newsholme has found in his English studies that infant mortality is higher among the poor than among the well to do, although natural feeding of infants is probably more general among the former.* Table 7 shows that in Montclair the infant mortality rate was approximately two and one-half times as high among families where the income was less than $12 a week as among families where the income was $23 a week or more.

TABLE VII.

Births, Deaths under 1 Year, and Infant Mortality Rate, According to Total Family Income.

Total family income	Births	Deaths under 1 year	Infant mortality rate
Total	†395	30	75.9
Under $625	95	11	115.8
$625 to $1,199	111	9	81.1
$1,200 and over	128	6	46.9
Not reported	61	4	65.6

Fourth Report of the New York State Factory Investigating Commission. 1915. Vol. IV. Appendix VII. Living On Six Dollars a Week.

Reducing the Cost of Living Quarters.

Living In a Single Room.

"A young girl couldn't live where I do," said Mrs. N., a young widow living in the questionable section of Buffalo, "but I'm married so I feel safe." She has been clerking since her husband's death, two and a half years ago, at $6 a week—renting a cheap little room in the lodging house district of the city. It is not yet known as

* Report on Infant and Child Mortality, by the medical officer of the local government board, 1909-10. London, 1910.

† Exclusive of illegitimate births.

the real "red-light" district, but as Mrs. N. herself put it "the lights are getting pinker every year".

A gas stove on which she cooks all of her meals occupies one corner of her room, a bed another, and a dresser and clothes, neatly arranged on hangers, each of the other two corners. A string stretching from bed to dresser serves as a laundry line. When this is in use the only free space in which to sit is the bed.

From nine until six Mrs. N. stands waiting on customers. At six o'clock she walks home through the unpleasant streets to her solitary room, cooks her dinner on the two burner gas stove, washes up the few dishes, sweeps the floor, washes and irons her shirtwaist and underwear, mends her clothes and then goes to bed. In the morning she rises early to cook her cereal and coffee, washes the dishes again, straightens the little room and then hastens to the store to report for work at 9 a. m. Such is her round—her life bounded by the jewelry counter in the store and the crowded room in the questionable section of the city. (Pages 1678-79.)

Sacrificing Privacy.

Sleeping three in a bed is the way one factory girl economizes on her rent. She pays only $3.50 for her board and room, but has to sleep in the same bed with two of the landlady's children. She is superintendent of the work at the chocolate table in a candy factory. Usually she gets $6 a week, but as the trade is seasonal and the factory closed entirely for a month or more at dull times, this $6 soon peters out. By practicing the most rigid personal economy and by paying for only one-third of a bed she "manages" on this amount. She also has to help about the housework, rising at five every morning in order to help get the breakfast. In the evening after the long day's work at the factory is done, she washes the supper dishes, washes out her own clothes, irons them, puts the two children to bed and then crawls into the same bed herself. No privacy—no pleasure—simply a dull, monotonous routine of work and then more work. (Pages 1679-80.)

Economizing on Clothes.

Many girls who have the ability make their own clothes in the evening, thus reducing the expenditure for this item. But this way of economizing means no free time in which to enjoy one's self, but evenings sitting bent over garments until late in the night. After a hard day's work at the counter or machine, an evening spent cutting out shirtwaists or bending over skirt patterns adds materially to the fatigues of the day, and cuts down the time which should be spent in recuperation.

But with an insufficient wage many girls find this form of economy unavoidable. (Pages 1682-83.)

Sacrificing All Recreation.

The total sacrifice of any legitimate pleasure is a common form of economy. In many cases among the girls interviewed this seemed especially disastrous because many of them were carrying a heavy burden of anxiety in addition to their work and particularly needed legitimate distraction. The low wage entailed not only the lack of an outlet for the normal spirit of youth, but also the lack of any relief from besetting worries and anxieties. (Page 1683.)

Some Considerations Affecting Economic Reconstruction. The Round Table, London, June, 1916.

It may be broadly asserted that the chief cause of unrest on the economic side is that the wage-earning classes do not get their fair share of the national income or national dividend, corresponding to the efforts and sacrifices they have to make. (Page 469.)

It is also clear from other researches by Dr. Bowley, quoted in the last issue of The Round Table, that a considerable proportion of the working classes of the British Isles live on or below the "primary poverty" line, or, in other words, find it hard to get the food, clothing and shelter necessary for a healthy life. (Page 471.)

The most valuable and most productive wealth of a nation, however, consists in the natural and acquired

qualities of its people, in their health, strength, knowledge, skill, and character. If it is economically wasteful to let machinery and plant run into disrepair and desuetude, it is far more wasteful, both morally and economically, to let the standard of living of any section of the nation fall, and, by low wages or too great labour or failure to provide the means of proper education or bad housing, to stunt and warp the free and generous development of their faculties. It is this aspect of the economic situation which is the most disquieting. There is no doubt that we let the human capital of the nation, so to speak, go into disrepair and desuetude to a greater extent than we let the material. This is partly, no doubt, due to the fact that the disrepair of human capital is often the result of its own shortcomings. Often it does not look after itself, does not put out its full efforts, is not saving enough, neglects forethought and self-management. It is very recalcitrant material, recalcitrant not only from ignorance, prejudice and bad habits, but from independence of spirit too. But though some of the evil may be due to our bad traditions, to the defects of our qualities, it is none the less true that the human waste in industry in the British Isles is terribly great. (Pages 475-476.)

The Standard of Living Among Workingmen's Families. Robert Coit Chapin, *Professor of Economics and Finance, Beloit College, Wisconsin. Russell Sage Foundation Publication, New York, 1909.*

If the family is able to make both ends meet out of its income, it seems a fair inference that it is able to maintain such standard of living as is represented by its expenditures. Still more probable is this if the family has a surplus of income over expenditures. This is not to say that the standard maintained is normal or adequate, however. It may be so low that in the course of a few years, if not sooner, the physique and morale of the family must deteriorate, or the effects may be

apparent only in the gradual deterioration of a whole group of the population in the course of one or two generations. This deterioration may be going on at the same time that individual families are living as best they can within their incomes. (Page 229.)

The under-fed, under-clothed, and over-crowded families, as has already been shown, make a better showing in keeping expenditures within income than do the families as a whole. This indicates that on the lower incomes, where most of these cases with sub-normal standard are found, an even balance or a surplus can be attained only by curtailing expenditures for necessaries below the point of meeting the requirements of healthy existence. (Page 232.)

Taking the figures for what they are worth, nearly half of the cases of borrowing reported (20 out of 42) are in the $600 income group; one-quarter are in the $700 group. The pawning reported is likewise nearly half of it in the $600 groups. This corroborates the suggestion already made, that the task of making both ends meet is too severe to be successfully accomplished in ordinary circumstances, on all incomes under $800, without a lowering of the standard of living below the normal demands of health, working efficiency, and social decency. (Page 234.)

The Living Wage of Women Workers. A Study of Incomes and Expenditures of 450 Women Workers in the City of Boston. LOUISE M. BOSWORTH. *Fellow, Women's Educational and Industrial Union. Longmans, Green & Co., New York, 1911.*

Roommates are another form of economy in rent. And hall bedrooms, unheated rooms, rooms without light, all come cheap, and reduce the ratio of rent to income. If a fair-priced room is divided among two or more occupants, the cost to the individual immediately drops to an amount that would come far short of paying for adequate living conditions by itself. But this is at a cost of privacy and independence which make it doubtful

whether a large room shared in this way is any more adequate than a small unheated room held in sole possession. . . . Factory girls report 17 out of 57 living in single rooms, 25 sharing with one, 15 with two. . . .

A living wage can perhaps purchase nothing which is of greater value than the luxury—which should really be considered a necessity—of a room to one's self. . . . (Page 52.)

There is a widespread notion that the working girl spends her money largely on clothes. . . .

The results of this investigation certainly do not support the common opinion regarding the working girl's extravagance in the matter of dress. On the contrary, it appears that, as a rule, in the long year-in-year-out run, with the individual and with the group, only so much of the weekly earnings as is left after almost everything else is bought goes for really necessary clothing. . . . It is true that, with an increase of earnings, money which might possibly be saved may often be spent on extending the wardrobe—"improving the standard of dress". (Pages 65-66.)

In general, the management of the clothing problem is, for the low-paid woman, a severe tax on her physical or financial resource. Either she must spend much ill-spared energy in hunting marked-down goods that will serve her purpose and in making them up, or she must resort to the extravagant method of buying on the installment plan or the equally extravagant course of buying very cheap clothes which do not last. Of course, the woman who is exceptionally clever in remodeling old clothes and making them last, and the woman who is in a position that affords unusual opportunities of buying goods at a reduction, find this problem less troublesome. But the average working girl on low wages is hard pressed to keep up appearances. (Page 71.)

Expenditure for recreation covers a wide range—theaters and picture shows, excursions and outings, books and magazines, clubs and societies, and innumerable forms of amusement and indulgence. . . . The opportunities are there, but the strength to grasp them

is not. Long hours and low wages do not supply the surplus vitality demanded for the proper enjoyment of these evening privileges. If the wages were sufficient to provide nourishing food and generally comfortable living conditions, and if the working day were short enough to allow more time for recuperation, the working girl might make good use of these chances for intellectual, physical and social development. (Page 85.)

United States Congress, Senate Document No. 645. Report on Condition of Woman and Child Wage Earners in the United States. Vol. V. Wage-Earning Women in Stores and Factories. 61st Congress, 2nd Session, 1911.

The younger women are still eager to enjoy anything that comes their way and keen to gather in all the excitement that they can. With their financial resources, however, the amount which they can spend for amusement is very limited, as the margin left after paying for food, shelter, heat, light, and laundry must furnish clothes before it can be drawn on for amusement or recreation. (Page 71.)

If the average weekly earnings and cost of living for both store and factory women in the seven cities, as shown in this investigation, be combined, the results show the weekly average earnings to be $6.67, and the average weekly cost of shelter, food, heat, light, and laundry as $3.80. Inasmuch as the earnings shown by the investigation conducted by the Women's Educational and Industrial Union were computed in the same way as the earnings of the women covered by this investigation and the discrepancy between the two results is but 46 cents for all the cities and only 39 cents in Boston, it is apparent that the two groups of women are fairly comparable. Making use, therefore, of the earnings and cost of living as shown by the results of this investigation (representing the larger and therein more reliable body of information) and the figures for the expenditure for clothes shown by the Women's Educational and In-

dustrial Union, the results may be summarized in the following statement:

Weekly earnings		$6.67
Weekly cost of shelter, food, heat, light and laundry	$3.80	
Weekly cost of clothes	1.38	
		5.18
Margin left for carfare, contributions to dependent relatives, emergencies, and amusements		1.49

Deducting, then, from the average earnings of all women, exclusive of waitresses, the cost of living and cost of clothes, there is left a margin of $1.49. Out of this comes carfare, often 60 cents a week; contributions to relatives, which average 44 cents; doctor bills, and all incidental expenses. When it comes to amusements, most of the women have nothing left to spend. Of the 1,568 women who reported on this question 62 per cent. said that they spent no money for pleasure—that it took all their earnings to meet their daily expenses. Thirty-eight per cent. reported that they spent something, but only 450, or 22.3 per cent., gave a definite weekly amount. These sums varied from 5 cents to $2, but the average for the 450 was 37 cents. (Pages 73-74.)

Women in the Bookbinding Trade. Mary Van Kleeck. *Russell Sage Foundation Publication. New York, 1913.*

Of all the complex factors to be considered in describing a trade, the most vital is the relation of the wage scale to the maintenance of wholesome living conditions among the workers. To discuss women's wages merely as a phase of trade problems, unrelated to the life of the worker outside the workroom, is to miss the real significance of the conditions of their work. (Page 72.)

Surprising, indeed, is the complacency with which many persons regard the low wages of working women. They believe that the problem concerns only the welfare

of the individual girl, and that if she can live at home, merely supplementing the family income, her scanty earnings need cause no concern. Such easy-going thinking ignores the fact that the low standard of remuneration of the large proportion of the community's workers which women now represent must inevitably lower the industrial standards of the whole community. Nor does it occur to them that the low wages of women are a prime cause of poverty, preventing wholesome and decent living in thousands of families which depend wholly or in part upon women's earnings. (Page 86.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage Earners in Oregon, with Special Reference to Portland. CAROLINE J. GLEASON. *Portland, Oregon, 1913.*

The wages paid to women workers in most occupations are miserably inadequate to meet the cost of living at the lowest standards consistent with the maintenance of the health and morals of the workers. Nearly three-fifths of the women employed in industries in Portland receive less than $10 a week, which is the minimum weekly wage that ought to be offered to any self-supporting woman wage earner in this city. (Page 6.)

Many girls take a roommate and thus reduce their cost of living at the same time that they reduce their opportunity of recuperation. Sometimes they room three together, the better to economize. An example of this is that of three girls living with a woman in a small, crowded flat. The three girls room together in an inside court room and each pays $30 per month for the room, breakfast and dinner. (Page 58.)

A frequent plan of living is that of a housekeeping system, where the rooms are made to differ from ordinary sleeping rooms by the addition of an oilcloth-covered table, a few cheap cups, saucers and plates, linen, hardware, a gas plate, and once in a while some silver. Sometimes the renter is required to furnish both her

silver and hardware. The opportunity to cook her own meals and wash her own dishes may help to keep the domestic feeling alive in the struggling worker, but it does not help her to keep alive the physical strength and moral courage needed for persistency in this same struggle. (Page 60.)

Recreation and Vacation.

Maximum average amounts spent for these items amount to $36.62; the minimum amount recorded is $12.50. Of the four specified trades, the three groups of women adrift spend more for recreation and vacation than do the women living at home. This would tend to show that the girl at home can get decent amusement cheaper or else has friends to rely on for her good times. There is not the same temptation for the girl at home to seek fun outside as there is for the girl adrift, whose lonesomeness in her one room drives her innocently to seek diversion that eventually ends disastrously for her.

TABLE 35.

Average Sum Spent Annually for Recreation and Vacation by 509 Wage-Earning Women in Portland classified by occupation and as to living "at home" or "adrift."

No.	Occupation.	Average Annual Expense. At Home	Adrift.
36	Laundry	$ 18.25	$ 12.50
100	Factory	12.91	16.60
116	Department Store	21.48	36.62
88	Office	20.14	35.78
169	Miscellaneous	22.02	20.83

Education and Reading.

Sums spent for this purpose indicate that mental recreation or training of any kind is almost entirely lacking among the wage-earning women. Several reasons may be given for this. One is that the great majority of them have to leave school before their education is

half completed. A second reason is that when they reach home at night they are too tired to read or study music. A third is that they haven't the money to use this way if they wished to. (Pages 66-67.)

Poverty: A Study of Town Life. B. Seebohm Rowntree, (*Director in the Firm of Rowntree and Co. Ltd., Manufacturers of Cocoa*). *MacMillan, London, 1901.*

Particulars were obtained regarding 11,560 families. (Page 26.)

Low wages mean insufficient food, insufficient clothing, unfitness for labor, so that the vicious circle is complete. The children of such parents have to share their privations, and even if healthy when born, the lack of sufficient food soon tells upon them. Thus they often grow up weak and diseased, and so tend to perpetuate the race of the "unfit". (Page 46.)

These unseen consequences of poverty have, however, to be reckoned with—the high death-rate among the poor, the terribly high infant mortality, the stunted stature and dulled intelligence—all these and others are not seen unless we look beneath the surface; and yet all are having their effect upon the poor, and consequently upon the whole country. (Pages 135-136.)

Hansard's Parliamentary Debates. House of Lords. Vol. 2. 1909.

Lord Hamilton of Dalzell:

I shall not attempt to coin a new definition of sweating. There are many such in circulation already, but I will take what I believe to be the ordinary meaning of the word—the payment by an employer to his workpeople of a wage which is insufficient to purchase for them the necessaries of life; and in bringing forward this Bill I would simply ask your Lordships whether or not you consider that such wages ought to continue to be paid. I do not think that there can be more than one answer to such a question. It is already, to our credit as a na-

tion, a punishable offense in this country to allow an animal which is dependent upon us to starve, and it does not seem very much to ask that the same principle should be extended to human beings. When an insufficient wage is paid something approaching starvation must take place, perhaps not actually in the matter of food, but in poorness of clothing, poorness of lodging, and bad quality of food—that is, unless the insufficient wages are supplemented from some other source. There are cases, of course, in which the wages are so supplemented. In some cases that may be done by charitable relief, perhaps rather misplaced charitable relief, and even I believe by Poor Law relief in some form or another. I think it might fairly be said that a trade which cannot exist without such assistance must be a thoroughly rotten one and a trade of which we should be well rid. (Pages 975-976.)

Hansard's Parliamentary Debates. Vol. 50. 1913.

Mr. Snowden:

Take the latest figures as to pauperism. In England and Wales alone, at this time of sustained trade prosperity, nearly 700,000 persons on any one day are in receipt of Poor Law relief. That means that in the last year, 1912, a year of sustained trade prosperity, a year when the figures of our foreign trades showed an increase of nearly one hundred millions sterling over the figures of the previous year, we had something like, and certainly not less than, three million persons, different persons, who at one time or another had to apply for Poor Law relief. Take the housing conditions, which are another result of low wages. We have not yet, unfortunately, the figures for the last census returns, but I think I may venture to prophesy that those figures, when they do appear, dealing with the housing condition of the people in 1911, will show that not less than one-fourth, and probably nearer to one-third, of the wage earners of this country were housed under conditions which are described officially as overcrowding. As the result of those bad housing conditions we have a death rate

amongst the poor which is from two or four times higher than the death rate amongst the well-to-do. Take my own borough, Blackburn, which is only typical of every industrial town in the country, and I find that the death rate in the poorest ward of the children is from three to four times more than the death rate among the better off well-to-do part of the population. There we have the result of the low wages, of the inability of the people to provide adequate, healthy housing accommodation, and then the inability of the people to provide sufficient nourishment for their children. Budgets which have been taken in different parts of the country show that the low wages of the poor are in a great many instances far too small to enable the parents to buy milk for their young children. That is one of the most painful facts brought out by the investigations. (Pages 460-461.)

There is nothing so expensive as poverty. We are paying for these low wages in a thousand ways—in the physical inefficiency of our workpeople, and in physical deterioration. (Page 466.)

Mr. Alfred Smith, Member for Clitheroe, Lancashire:

It has been said that there are in this country regularly employed—this is leaving out of account casual labour—one million adult men at less than 20s. a week, and another million and a half at less than 25s. a week, and that 8 per cent. of the population live in houses that are hardly fit for habitation. If we allow this system to go on, what will become of our young people? We are fond of speaking about building up the Empire. Every day we read in the papers about attempts being made to get as good men as possible to go into the services to defend their country. But hon. Members must realise that these people are getting every day more and more unfitted for that work. Some of them are beginning to ask what they have to lose, if Germany or any other Power comes. So long as you keep the people underpaid, badly clothed, and badly housed, so long will the race go down. (Page 551.)

D. ECONOMIC ASPECT OF LOW WAGES.

(1) No Present Standards for Women's Wages.

Investigation has proved that the wages of women are fixed at present mainly by chance or hap-hazard. It has long been assumed that wages are regulated by the law of supply and demand. But in fact it proves that, owing to the intervention of many factors, such a law fails to operate. Earnings for the same work in a given industry vary from establishment to establishment. The wage is fixed neither by the value of service rendered nor by what the industry can afford. Establishments paying higher wages exist and prosper side by side with establishments of the same kind, manufacturing the same product, for the same market, whose wage levels are conspicuously lower. Hence it is clear that the payment of higher wages has not proved an economic handicap.

Not only do the actual earnings thus vary for similar work in similar establishments, but the nominal rates of pay vary also. As shown below in detail actual earnings are decidedly lower than the nominal rates of pay.* Owing to deduction for time lost for industrial and personal causes, the workers customarily earn 20 to 25 per cent. less than their scheduled weekly rates. Such deductions from the nominal weekly rates vary greatly in different establishments, as is evident from the payroll tables which follow.

So great is the lack of standardization in any given industry that similar establishments in the same localities are thus shown to vary widely in three essential particulars: First, they vary in the nominal rates of pay

* See pages 183-226.

for the same work; second, they vary in the deductions made for various causes from the nominal rates of pay; third, they vary greatly, in consequence, in the actual wages paid. Lower earnings are therefore no proof whatsoever that underpaid employees are "worth" less than those receiving more. The lower pay is proof only that in fixing wages, chance not standards, rule.

Bulletin of the United States Bureau of Labor Statistics. Number 175. Women in Industry Series, No. 5. December 1915. Summary of the Report on Condition of Woman and Child Wage Earners in the United States. Employment of Women and Children in Selected Industries.

And when it comes to the question of earnings, the lack of standardization seems to reach its height. In the main the women were wholly unorganized and seemed to have no idea in regard to wages beyond taking what they could get. The determining factor seemed not so much what their services were worth or what the industry could afford as the individual employer's attitude upon the matter. In one and the same industry employers would be found who so graded their rates that the average employee would be able to earn fair wages, the unusual employee, of course, under such a system earning very good wages; employers who took foreign women because they could get them for lower wages than American women; and employers who sought girls under 16 for all the occupations they could fill on the admitted ground that "they could do as much as a woman and would work for less." With some employers the lowest wages a woman or girl could be induced to work for decided what she could get. In many cases there was an evident intention to treat the employees justly and considerately, but nowhere was there any generally accepted standard of what constituted a fair or reasonable wage. What a woman could earn by a week's work

seemed to depend fully as much upon extrinsic factors over which she had no possible control as upon her own ability or her own efforts. (Pages 418-419.)

Massachusetts Minimum Wage Commission. Bulletin No. 1. January, 1914. Wages of Women in the Brush Factories in Massachusetts.

In consideration of the question whether the industry will bear a higher rate of compensation than some employers pay, a comparison of the wage level of different establishments is highly important. Examination of Table 3 affords this comparison.

Establishment No. 1 is shown to pay less than the average for the whole industry. Not only do a smaller proportion receive "$9 and over" than in the industry as a whole, but a larger proportion of workers is found in every one of the lower wage groups; for example, 79.1 per cent. of all the workers in the industry earn less than $7 a week, but in the establishment under consideration 91.4 per cent. of the workers earn less than $7 a week,—a variation of 12.3 per cent. below the average. Establishments Nos. 10 and 7, on the contrary, pay conspicuously higher wages than the average. Establishment No. 10 has only 25 per cent. of its workers earning less than $9, and Establishment No. 7 only 36.4 per cent. earning less than $9, as against an average of 93 per cent. under $9 in the industry as a whole. This study has made it plain that great variation in wages exists between establishments and that establishments paying higher wages exist and prosper in the same neighborhood with others whose wage level is decidedly lower. This fact is true of establishments with similar product, manufacturing for the same market, and for establishments with extreme variation in size of plant. The level of wages is usually in favor of the smaller. (Pages 11-12.)

TABLE III.

Average Weekly Earnings: by Establishments (Cumulative).

Establishment	PER CENT. OF WORKERS EARNING—						
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and Over
No. 1,	19.8	51.5	79.2	91.4	97.0	98.3	1.7
No. 2,	18.4	34.2	56.8	69.5	82.6	90.0	10.0
No. 3,	13.3	53.3	73.3	80.0	93.3	100.0	—
No. 4,	—	—	100.0	100.0	100.0	100.0	—
No. 5,	—	50.0	50.0	50.0	50.0	50.0	50.0
No. 6,	13.2	39.5	55.3	65.8	78.9	86.8	13.2
No. 7,	—	—	—	9.1	36.4	36.4	63.6
No. 8,	—	—	40.0	80.0	80.0	80.0	20.0
No. 9,	17.6	41.2	47.1	70.6	82.4	100.0	—
No. 10,	—	—	—	—	25.0	25.0	75.0
No. 11,	—	50.0	50.0	75.0	75.0	100.0	—
No. 12,	—	50.0	50.0	100.0	100.0	100.0	—
No. 13,	—	—	—	50.0	50.0	50.0	50.0
No. 14,	—	—	—	33.3	100.0	100.0	—
Total,	17.6	42.7	66.2	79.1	88.6	93.0	7.0

(Page 17.)

Massachusetts Minimum Wage Commission, Bulletin No. 2. January, 1914. Wages of Women in the Corset Factories in Massachusetts.

A comparison of the wage level in different establishments has important bearing upon the question of the effect upon the industry of paying a higher rate of compensation to the minimum wage earner. Striking, in this connection, is the degree of variation in the wages paid by different establishments as indicated by Table 3. Establishment No. 7 paid weekly earnings of less than $6 to only 13.3 per cent. of its workers, while Establishments Nos. 4 and 6 paid less than $6 to 63.8 per cent. and 56 per cent. respectively. In each of the two latter establishments the percentage of workers who earned as much as $9 a week is almost negligible, whereas Establishment No. 7 paid $9 or more a week to 43.4 per cent. of its workers. Establishments Nos. 4 and 6 paid less than the average for the industry in every instance.

Reasons for the existing difference of wage levels within the State claim attention before the defence of low wages, on the basis of interstate and foreign competition. The foregoing presentation sets forth the fact that the corset industry in Massachusetts does show great variation in the wages of different establishments. (Pages 13-14.)

TABLE III.

Average Weekly Earnings: by Establishments. (Cumulative.)

Establishments.	Per Cent. of Workers Earning—						
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over
Number 1	8.2	17.6	33.6	51.5	66.3	82.7	17.3
" 2	4.7	11.6	26.7	43.5	67.2	84.9	15.1
" 3	19.3	35.2	45.5	63.6	77.3	87.5	12.5
" 4	20.0	46.7	63.8	81.0	92.4	98.1	1.9
" 5	12.0	21.5	41.1	61.4	78.5	89.9	10.1
" 6	26.4	41.8	56.0	72.5	92.3	98.9	1.1
" 7	2.1	4.9	13.3	28.7	37.8	56.6	43.4
" 8	15.8	33.3	52.6	63.2	84.2	91.2	8.8
Total	9.6	20.0	35.5	53.5	68.7	83.6	16.4

(Page 21.)

Massachusetts Minimum Wage Commission. Bulletin No. 4. October, 1914. Wages of Women in the Candy Factories in Massachusetts.

Variation Among Establishments.

The amounts of wages paid weekly show a remarkable variation among the different establishments, in view of the fact that several of the factories under consideration are in the same general locality and to some extent draw on the same labor supply. This fact is especially marked in the lower wage groups. (Table III. (a).) For example, establishment No. 10 pays the majority of its workers less than $4 a week, while establishment No. 1 pays so small an amount to only 11.6 per cent.

of its workers, and establishments Nos. 12, 13 and 14 have no workers in this group. It should be said, however, that the last three mentioned are very small and manufacture a high-grade product. Establishments Nos. 12 and 14 also give their employees annual vacations of from one to two weeks with pay, which serves to raise the average weekly earnings recorded for these establishments. Leaving them out of account, no establishment pays 8 per cent. of its workers as much as $9.

Table III. (b), when compared with Table III. (a) shows the differences between scheduled weekly rates and the wages actually paid by the different establishments. Only three factories engage workers at weekly rates of less than $4, but eleven factories, or all except three, actually pay less than that amount to many of their workers. One factory, which has no scheduled rates of less than $4, but which places the majority of its rates between $4 and $5, actually pays less than $4 to more than one-half of its women employees. The differences between the scheduled rates of the different factories are in themselves illuminating with regard to the labor situation, and suggest the same points of interest as arose in examination of the table showing earnings by occupation. For example, establishment No. 1 and establishment No. 2, with approximately the same restrictions on their labor market and the market for their product, offer conspicuously different rates of pay, and the establishment which offers the higher rates continues to carry on business successfully. It has been previously suggested in the discussion of weekly earnings that a possible explanation of such differences may lie in the kind of product manufactured. The question remains as to the degree in which the efficiency of management is influential in determining such variations. (Pages 22-23.)

Table III (a)

Average Weekly Earnings: by Establishments. (Cumulative).

Establishments	Per Cent. of Workers Earning—						
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over
No. 1,	11.6	36.5	64.7	82.4	89.9	95.8	4.2
No. 2,	26.8	50.0	69.7	82.3	92.0	97.6	2.4
No. 3,	12.1	32.9	53.4	70.0	84.7	96.4	3.6
No. 4,	42.8	73.0	85.3	93.0	96.1	99.6	.4
No. 5,	21.4	46.0	68.1	84.8	94.2	99.3	.7
No. 6,	31.5	62.6	73.6	86.8	96.7	99.3	.7
No. 7,	27.5	59.3	79.1	94.2	97.3	98.8	1.2
No. 8,	41.6	75.3	89.6	96.1	100.0	100.0	—
No. 9,	17.2	56.9	81.0	98.3	98.3	100.0	—
No. 10,	51.8	75.0	87.5	89.3	91.1	98.2	1.8
No. 11,	15.8	44.7	68.4	89.5	92.1	92.1	7.9
No. 12,	—	—	—	8.3	41.7	91.7	8.3
No. 13,	—	—	12.5	12.5	87.5	100.0	—
No. 14,	—	—	—	—	28.6	42.9	57.1
Total,	23.1	49.0	69.6	83.8	92.1	97.5	2.5

(Page 32.)

Table III (b)

Weekly Rates: by Establishments (Cumulative).

Establishments	Per Cent. of Workers with Weekly Rates of—						
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over
No. 1,	—	9.7	43.4	70.5	87.8	93.3	6.7
No. 2,	—	35.0	62.9	76.7	88.8	97.9	2.1
No. 3,	—	21.7	42.0	57.3	73.2	92.9	7.1
No. 4,	7.0	50.2	74.0	86.3	93.0	99.6	.4
No. 5,	—	24.9	46.5	62.8	79.9	95.2	4.8
No. 6,	3.4	39.1	56.2	71.9	88.5	100.0	—
No. 7,	5.3	17.2	48.8	76.6	91.4	99.0	1.0
No. 8,	—	32.5	63.6	83.1	93.5	98.7	1.3
No. 9,	—	—	75.0	87.5	93.8	100.0	—
No. 10,	—	56.4	74.5	85.5	90.9	90.9	9.1
No. 11,	—	—	—	—	—	—	—
No. 12,	—	—	—	—	8.3	83.3	16.7
No. 13,	—	—	—	12.5	12.5	87.5	12.5
No. 14,	—	—	—	—	—	14.3	85.7
Total,	1.2	26.3	53.5	72.2	86.3	96.0	4.0

Note: Rates were not available for establishment No. 11.

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Massachusetts Minimum Wage Commission. Bulletin No. 5, October, 1914. Wages of Women in the Laundries in Massachusetts.

In Table No. III and Table IV the matter of earnings and rates is considered apart from occupations, but with reference to each of the 36 establishments studied. The most striking fact shown by the tables is the wide differences in both respects among the various establishments. In Table III., for example, there are several establishments in which no women earned less than $4, while in two others 42.4 and 46 per cent. earned less than $4. In the same way the proportions of those who earned over $9 vary from 42.3 per cent. to none. Corresponding variations are true of the rates scheduled to be paid.

This striking variation among the wages paid in the various establishments becomes exceedingly important in the discussion of possible increases in wages. The opinion is frequently found among Massachusetts employers to the effect that any increase in wages would unduly hamper them to such an extent that it would become necessary to take their capital out of the State and invest it in a State where the price of labor and costs incidental to it are not so high. Such findings as those of the present study suggest further questions as to this necessity. If it is possible for employers in the same business, in the same localities (for example, establishments No. 2 and No. 20, which are in the same city), to carry on business successfully, it would seem to be indicated clearly that the payment of high wages does not unduly handicap an establishment. It should be remembered, also, that rates of wages have been left wholly to employer and employee up to the present time, and that therefore it must be a question of employers' policy which is involved in the high rates in certain establishments.

In addition it should be said that the payment of high wages is not the practice in the large cities alone, or the payment of low wages the rule in small cities, where the cost of living is supposed to be low. Almost without exception the lowest wages paid were in establishments in Boston proper. (Pages 23-25.)

Table III.

Average Weekly Earnings: by Establishments. (Cumulative).

Establishments	Per Cent. of Workers Earning—						
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over
No. 1,	29.3	62.5	70.3	81.9	90.8	96.4	3.6
No. 2,	4.4	19.3	34.3	51.4	65.7	84.0	16.0
No. 3,	—	1.2	13.8	33.5	56.9	69.5	30.5
No. 4,	1.3	19.5	75.5	90.6	94.3	99.4	.6
No. 5,	3.3	25.0	67.8	80.3	88.2	95.4	4.6
No. 6,	4.0	8.9	14.5	25.8	48.4	74.2	25.8
No. 7,	3.4	12.7	57.6	72.9	88.1	94.9	5.1
No. 8,	6.5	26.9	51.9	68.5	83.3	88.9	11.1
No. 9,	—	5.9	49.0	87.3	96.1	99.0	1.0
No. 10,	—	15.0	62.0	83.0	95.0	99.0	1.0
No. 11,	5.3	34.7	64.2	80.0	91.6	97.9	2.1
No. 12,	10.6	29.8	54.3	64.9	79.8	93.6	6.4
No. 13,	9.3	20.9	48.8	81.4	88.4	94.2	5.8
No. 14,	1.2	25.6	46.5	58.1	70.9	93.0	7.0
No. 15,	28.0	62.2	86.6	93.9	96.3	98.8	1.2
No. 16,	—	13.8	51.3	75.0	91.3	98.8	1.2
No. 17,	—	6.9	33.3	58.3	86.1	98.6	1.4
No. 18,	4.2	16.9	33.8	53.5	71.8	90.1	9.9
No. 19,	3.0	9.0	28.4	41.8	67.2	89.6	10.4
No. 20,	42.4	77.3	97.0	100.0	100.0	100.0	—
No. 21,	46.0	76.2	87.3	93.7	98.4	100.0	—
No. 22,	—	9.5	27.0	49.2	57.1	77.8	22.2
No. 23,	—	9.4	39.6	75.5	96.2	100.0	—
No. 24,	3.9	7.8	37.3	72.5	92.2	96.1	3.9
No. 25,	3.9	26.5	58.8	76.5	86.3	96.1	3.9
No. 26,	9.3	44.2	88.4	93.0	93.0	95.3	4.7
No. 27,	7.5	35.0	87.5	92.5	95.0	95.0	5.0
No. 28,	—	12.5	37.5	70.0	85.0	92.5	7.5
No. 29,	—	2.6	35.9	61.5	74.4	76.9	23.1
No. 30,	—	2.9	17.7	58.8	94.1	97.1	2.9
No. 31,	5.9	32.4	61.8	91.2	94.1	100.0	—
No. 32,	—	9.1	51.5	90.9	97.0	97.0	3.0
No. 33,	—	3.3	13.3	53.3	90.0	96.7	3.3
No. 34,	—	—	—	7.7	19.2	57.7	42.3
No. 35,	—	—	4.0	24.0	64.0	80.0	20.0
No. 36,	—	—	4.5	9.1	59.1	86.4	13.6
Total,	8.2	25.0	51.5	68.8	82.2	91.8	8.2

(Page 32.)

Table IV.

Weekly Rates: by Establishments. (Cumulative.)

Establishments	Per Cent. of Workers with Weekly Rates of—						
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over
No. 1,	—	33.9	65.4	76.6	81.2	91.1	8.9
No. 2,	—	33.3	17.8	32.8	51.1	61.7	38.3
No. 3,	—	—	2.0	24.3	50.7	69.6	30.4
No. 4,	—	—	41.1	84.2	100.0	100.0	—
No. 5,	—	—	59.5	73.0	83.3	89.7	10.3
No. 6,	2.4	4.8	7.2	12.9	24.2	46.8	53.2
No. 7,	—	—	—	75.3	86.5	97.8	2.2
No. 8,	1.2	16.7	44.0	71.4	81.0	92.9	7.1
No. 9,	—	—	—	47.1	89.2	97.0	3.0
No. 10,	—	3.0	20.0	61.0	85.0	97.0	3.0
No. 11,	—	23.2	57.9	68.4	81.0	90.5	9.5
No. 12,	—	4.3	29.3	54.3	66.3	80.4	19.6
No. 13,	—	—	8.1	37.2	75.6	87.2	12.8
No. 14,	—	1.2	32.9	50.6	60.0	72.9	27.1
No. 15,	—	39.0	60.9	90.2	93.9	96.3	3.7
No. 16,	—	2.7	10.7	62.7	72.0	94.7	5.3
No. 17,	—	4.2	7.0	27.8	70.9	90.3	9.7
No. 18,	—	—	2.4	14.6	31.7	43.9	56.1
No. 19,	—	—	9.0	23.9	40.3	62.7	37.3
No. 20,	—	56.1	84.9	97.0	100.0	100.0	—
No. 21,	9.5	57.1	77.7	92.0	96.8	98.4	1.6
No. 22,	—	2.2	22.2	44.4	66.7	75.6	24.4
No. 23,	—	—	30.2	56.6	88.7	100.0	—
No. 24,	—	—	8.0	40.0	76.0	92.0	8.0
No. 25,	—	—	31.4	68.6	78.4	88.2	11.8
No. 26,	—	4.6	41.8	88.4	90.7	93.0	7.0
No. 27,	—	—	37.5	85.0	92.5	95.0	5.0
No. 28,	—	7.5	17.5	32.5	57.5	75.0	25.0
No. 29,	—	—	12.8	48.7	56.4	71.8	28.2
No. 30,	—	—	—	15.3	84.9	90.9	9.1
No. 31,	—	—	—	13.3	80.0	93.3	6.7
No. 32,	—	—	—	90.9	97.0	97.0	3.0
No. 33,	—	—	3.3	30.0	50.0	96.7	3.3
No. 34,	—	—	—	3.8	3.8	42.3	57.7
No. 35,	—	—	—	—	—	72.0	28.0
No. 36,	—	—	—	4.5	13.6	54.5	45.5
Total,	.4	10.0	29.5	55.1	71.6	84.0	16.0

(Page 33.)

Massachusetts Minimum Wage Commission. Bulletin No. 6, March, 1915. Wages of Women in Retail Stores in Massachusetts.

Table IV., for example, shows to how great an extent different establishments vary in the scale of wages paid to their employees. Establishment No. 15 pays nearly one-fourth of its workers more than $12 a week, and pays no one less than $3 a week, while establishment No. 4 pays 12.2 per cent. of its employees less than $3 a week. Establishment No. 16 pays more than one-half of its workers less than $5 a week, while in each of four other stores less than 5 per cent. of the workers are paid less than $5 a week.

Many other comparisons which it is possible to make from the material presented in this table give additional support to one conclusion, namely, that the pressure of wage competition cannot be cited as the factor which prevents raising of wages in a given store. It is shown by such facts as these that stores in the same locality can thrive side by side, one paying a far higher wage than the other, and that as time goes on neither may find it necessary, though either may find it possible, to modify the wage scale. (Pages 24-25.)

Similarly, Table V. shows the wide differences between stores with regard to rates of wages, and also demonstrates the existence of the gap between the rates of pay and the amounts which the girls' pay envelopes actually contain. (Page 25.)

Table IV.

Average Weekly Earnings: by Establishments (Cumulative) (Regulars).

Establishments	Per Cent. of Workers Earning—										
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	Under $10.	Under $11.	Under $12.	$12 and over
No. 1,	.4	7.2	22.8	26.5	31.7	57.6	73.8	82.9	87.4	91.3	8.7
No. 2,	8.7	22.3	29.9	36.5	47.3	65.6	76.8	83.1	88.2	92.4	7.6
No. 3,	7.1	22.9	32.5	41.5	54.2	73.8	83.4	90.3	93.1	95.7	4.3
No. 4,	12.3	21.1	26.9	50.3	62.2	71.7	78.9	84.7	88.6	91.7	8.3
No. 5,	—	.3	1.7	38.1	66.3	81.0	88.1	92.9	94.9	96.6	3.4
No. 6,	1.2	9.4	19.6	45.9	66.7	82.0	89.0	94.1	96.9	97.3	2.7
No. 7,	1.0	1.5	4.1	16.4	41.0	57.4	70.3	77.9	83.1	88.2	11.8
No. 8,	—	.7	8.3	45.5	72.4	86.9	91.0	93.8	95.9	97.2	2.8
No. 9,	1.6	5.5	10.9	32.0	55.5	76.6	86.7	91.4	93.8	96.9	3.1
No. 10,	—	7.0	26.6	32.8	61.7	82.8	89.8	91.4	93.8	96.1	3.9
No. 11,	1.7	3.3	9.9	42.1	62.8	76.9	81.8	88.4	90.9	92.6	7.4
No. 12,	—	1.9	9.5	22.9	53.3	73.3	89.5	95.2	97.1	97.1	2.9
No. 13,	—	—	1.1	13.2	37.4	53.8	69.2	81.3	92.3	94.5	5.5
No. 14,	—	2.4	18.8	36.5	51.8	64.7	72.9	80.0	83.5	91.8	8.2
No. 15,	—	1.3	7.7	16.7	23.1	34.6	61.5	67.9	71.8	76.9	23.1
No. 16,	—	21.9	53.1	73.4	82.8	89.1	90.6	93.8	93.8	93.8	6.2
No. 17,	3.6	14.3	33.9	62.5	80.4	92.9	94.6	98.2	98.2	98.2	1.8
No. 18,	—	—	2.4	9.8	26.8	51.2	78.0	92.7	95.1	95.1	4.9
No. 19,	—	—	33.3	55.6	72.2	88.9	88.9	100.0	100.0	100.0	—
No. 20,	—	—	25.0	66.7	83.3	100.0	100.0	100.0	100.0	100.0	—
No. 21,	—	—	10.0	30.0	60.0	70.0	90.0	90.0	100.0	100.0	—
No. 22,	—	—	—	57.1	57.1	57.1	71.4	71.4	100.0	100.0	—
Total,	3.4	11.6	22.5	33.9	46.3	66.4	78.5	85.6	89.6	92.9	7.1

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Table V.

Weekly Rates: by Establishments (Cumulative) (Regulars).

Establishments	Per Cent. of Workers with Weekly Rates of—										
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	Under $10.	Under $11.	Under $12.	$12 and over
No. 1,	—	—	12.2	23.1	27.3	33.9	70.0	80.2	87.1	90.2	9.8
No. 2,	.4	14.2	24.4	30.8	36.5	48.4	69.0	78.1	85.0	87.1	12.9
No. 3,	—	13.5	25.7	32.3	40.5	50.1	72.3	82.8	89.7	92.0	8.0
No. 4,	8.3	14.2	22.2	25.6	51.9	63.0	72.4	77.8	84.3	87.7	12.3
No. 5,	—	—	—	.4	44.2	70.7	82.2	88.4	93.1	94.9	5.1
No. 6,	—	2.7	11.4	23.9	51.8	71.0	84.7	92.9	96.9	96.9	3.1
No. 7,	—	1.0	1.5	2.6	17.9	41.0	58.5	70.3	80.0	82.6	17.4
No. 8,	—	—	—	4.8	47.6	78.6	86.2	91.0	95.9	95.9	4.1
No. 9,	—	3.1	5.5	10.9	34.4	58.6	78.1	87.5	92.2	93.8	6.2
No. 10,	—	3.9	17.2	26.6	30.5	64.1	85.2	89.8	91.4	92.2	7.8
No. 11,	—	1.7	2.5	6.6	47.9	64.5	77.7	83.5	90.1	90.9	9.1
No. 12,	—	—	2.9	9.5	21.0	57.1	74.3	89.5	96.2	97.1	2.9
No. 13,	—	—	—	—	13.2	46.2	62.6	81.3	89.0	92.3	7.7
No. 14,	—	—	5.9	15.3	37.6	51.8	62.4	70.6	78.8	81.2	18.8
No. 15,	—	—	1.3	12.8	16.7	24.4	33.3	64.1	69.2	69.2	30.8
No. 16,	—	—	32.8	53.1	70.3	85.9	87.5	89.1	92.2	92.2	7.8
No. 17,	—	8.9	16.1	32.1	60.7	80.4	92.9	94.6	98.2	98.2	1.8
No. 18,	—	—	—	—	—	73.2	85.4	95.1	95.1	95.1	4.9
No. 19,	—	—	16.7	33.3	61.1	72.2	88.9	94.4	100.0	100.0	—
No. 20,	—	—	—	8.3	66.7	100.0	100.0	100.0	100.0	100.0	—
No. 21,	—	—	—	—	30.0	70.0	80.0	90.0	100.0	100.0	—
No. 22,	—	—	—	—	—	57.1	71.4	71.4	100.0	100.0	—
Total,	.5	5.3	14.7	22.6	34.7	48.1	72.0	81.4	87.9	90.2	9.8

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Five-and-Ten Cent Stores.

Tables XVI. to XXVI., inclusive, are a study of the women in Five-and-Ten Cent Stores. This group of stores is treated separately because not fairly comparable with the employees in the retail stores of the department store type where a wide range of goods is handled. The nature of the goods offered for sale makes them almost self-salable, and the necessity of training in salesmanship is reduced to a minimum. (Page 29.)

Table XVII. shows weekly earnings by establishments, and makes possible a comparison in a group of stores in which the nature of the goods sold is peculiarly uniform. Tables XVIII. and XIX. show the rates which the employees are scheduled to receive. . . . No one is scheduled to receive under $4, but an appreciable per cent. are actually receiving under $3. From the $4 to $5 group the rate line makes a direct ascent to its apex, $5 to $6. Though a small per cent. of the workers are actually on a $4 to $5 rate, the earning line makes apparent that a large per cent. (over 40) are forced back into this group from the higher groups. From this point the earning line falls far below the rate line, and while over 60 per cent. of the workers are scheduled at a rate of from $5 to $6, only about 35 per cent. actually receive this amount, and the per cent. earning a given wage continues to be less except in the $12 and over group, where the 10 per cent. December increase customary in one of the largest stores affects the earning line. (Page 30.)

Table XVII.

Average Weekly Earnings: by Establishments (Cumulative) (Five-and-Ten Cent Stores, Regulars).

Establishments	Per Cent. of Workers Earning—										
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	Under $10.	Under $11.	Under $12.	$12 and over
No. 23,	—	26.5	37.0	76.7	88.4	93.2	96.3	98.4	98.9	99.5	.5
No. 24,	—	5.6	48.1	83.3	94.4	96.3	98.1	100.0	100.0	100.0	—
No. 25,	—	11.0	56.2	93.2	95.9	98.6	98.6	98.6	100.0	100.0	—
No. 26,	3.0	18.8	70.3	94.1	98.0	99.0	99.0	99.0	99.0	99.0	1.0
Total,	.7	8.4	49.8	84.4	92.8	95.9	97.6	98.8	99.3	99.5	.5

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Table XIX.

Weekly Rates: by Establishments (Cumulative) (Five-and-Ten Cent Stores, Regulars).

Establishments	Per Cent. of Workers with Weekly Rates of—										
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	Under $10.	Under $11.	Under $12.	$12 and over
No. 23,	—	—	—	56.8	80.0	90.5	94.2	97.9	98.9	98.9	1.1
No. 24,	—	—	11.1	66.7	90.7	94.4	96.3	98.1	100.0	100.0	—
No. 25,	—	—	—	61.6	93.2	95.9	98.6	98.6	100.0	100.0	—
No. 26,	—	—	9.9	78.2	93.1	98.0	99.0	99.0	99.0	99.0	1.0
Total,	—	—	3.8	64.1	86.8	93.8	96.4	98.3	99.3	99.3	.7

(Page 56.)

Massachusetts Minimum Wage Commission. Bulletin No. 8. September, 1915. Wages of Women in the Paper Box Factories in Massachusetts.

Weekly wages differ conspicuously in different establishments. Table 4 shows that in three of the factories studied more than one-half of the women employed were paid less than $5 a week, while in two other factories not a single woman averaged less than that amount. In one establishment no girl averaged as much as $8 a week. (Page 22.)

TABLE 4.

Average Weekly Earnings: by Establishments. (Cumulative).

Establishments.	PER CENT. OF WORKERS EARNING—							
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	$9 and over.
No. 1,	.3	1.5	7.9	16.4	33.9	54.4	64.9	35.1
No. 2,	27.7	51.1	67.0	80.9	89.4	99.5	100.0	—
No. 3,	—	10.3	34.1	53.0	69.7	80.0	89.2	10.8
No. 4,	4.4	36.1	50.8	62.8	73.8	88.0	95.6	4.4
No. 5,	2.7	15.1	27.4	32.2	37.0	56.2	65.8	34.2
No. 6,	2.1	18.6	37.1	49.3	72.1	85.0	91.4	8.6
No. 7,	.8	16.4	46.1	53.1	64.1	72.7	86.7	13.3
No. 8,	2.4	13.5	33.3	54.0	70.6	86.5	98.4	1.6
No. 9,	—	2.0	10.2	35.7	63.3	80.6	94.9	5.1
No. 10,	19.8	44.2	58.1	76.7	86.0	95.3	98.8	1.2
No. 11,	—	1.2	26.7	51.2	66.3	80.2	89.5	10.5
No. 12,	5.9	7.4	10.3	13.2	29.4	51.5	70.6	29.4
No. 13,	—	1.6	4.9	27.9	55.7	68.9	82.0	18.0
No. 14,	2.1	29.8	44.7	57.4	80.9	89.4	100.0	—
No. 15,	2.2	10.9	28.3	54.3	78.3	93.5	100.0	—
No. 16,	5.4	18.9	32.4	67.6	89.2	100.0	100.0	—
No. 17,	2.8	5.6	5.6	13.9	33.3	77.8	86.1	13.9
No. 18,	—	3.0	12.1	36.4	60.6	75.8	81.8	18.2
No. 19,	3.6	7.1	10.7	28.6	42.9	60.7	78.6	21.4
No. 20,	—	—	—	7.4	18.5	44.4	74.1	25.9
No. 21,	—	—	3.7	14.8	22.2	44.4	63.0	37.0
No. 22,	—	—	—	3.8	34.6	53.8	80.8	19.2
No. 23,	—	—	23.5	41.2	76.5	82.4	94.1	5.9
No. 24,	—	—	17.6	58.8	64.7	76.5	88.2	11.8
Total,	4.6	16.1	30.2	44.5	60.4	75.7	85.4	14.6

(Page 29.)

TABLE 5.

Weekly Rates: by Establishments. (Cumulative).

Establishments.	PER CENT. OF WORKERS WITH WEEKLY RATES OF—							
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	$9 and over.
No. 1,	—	—	—	4.8	7.9	28.6	49.2	50.8
No. 2,	—	11.1	66.7	66.7	77.8	83.3	100.0	—
No. 3,	—	—	—	64.8	79.6	85.2	92.6	7.4
No. 4,	—	1.0	64.7	74.5	85.3	90.2	93.1	6.9
No. 5,	—	10.7	35.7	62.5	71.4	73.2	78.6	21.4
No. 7,	—	—	20.0	81.3	92.0	94.7	97.3	2.7
No. 9,	—	—	8.8	23.5	55.9	73.5	91.2	8.8
No. 10,	—	38.1	47.6	61.9	76.2	90.5	95.2	4.8
No. 12,	—	—	—	—	—	—	—	100.0
No. 13,	—	—	—	—	—	57.1	85.7	14.3
No. 14,	—	—	47.1	70.6	70.6	100.0	100.0	—
No. 18,	—	—	8.3	8.3	16.7	58.3	83.3	16.7
No. 19,	—	—	—	—	—	—	—	100.0
Total,	—	3.6	29.0	54.9	65.9	76.2	84.8	15.2

NOTE: Data concerning rates were not available for Establishments Nos. 6, 8, 11, 15, 16, 17, 20, 21, 22, 23, 24.

(Page 30.)

Massachusetts Minimum Wage Commission, Bulletin No. 9. September, 1915. Wages of Women in Women's Clothing Factories in Massachusetts.

In Table 4 the establishments manufacturing dresses and waists and the establishments manufacturing cloaks, suits and skirts are grouped separately, and a comparison is afforded of the two groups as well as of the various establishments. The dress and waist firms pay lower wages, as shown by the fact that 52.2 per cent. of the workers in those establishments earned less than $6 a week, as against 37 per cent. of the cloak, suit and skirt workers who earned less than that amount. The cloak, suit and skirt work is in general more skilled, and the wages are doubtless also influenced by the greater degree of organization among the employees. Among the dress

and waist firms there is a variation from an establishment which paid 87.7 per cent. of its workers less than $6 a week to one in which only 12.9 per cent. of the women employees earned less than that amount. These variations depend in part upon the location (whether in large or small cities), partly upon the kind of product, and partly upon the degree of unionization. At the same time, establishments situated in practically the same locality and depending upon the same sources of labor supply are shown to pay widely differing scales of wages, a fact which shows the slight basis upon which the ordinary competition arguments rest.

Corresponding variations are found in the table (Table 5) in which the weekly rates of the establishments in the two groups are described. The factories in the two groups differ in the general level, although the dress and waist firms do not fall so far behind as in the table showing earnings. (Pages 18-19.)

Table 4.

Average Weekly Earnings: by Establishments. (Cumulative).

Dress and Waist.

Establishments.	Per Cent. of Workers Earning—							
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	$9 and over
No. 1,	14.2	44.2	66.4	81.9	90.3	96.0	98.2	1.8
No. 2,	1.9	10.3	27.1	51.6	63.9	78.7	86.5	13.5
No. 3,	0.9	1.7	14.7	45.7	69.0	86.2	89.7	10.3
No. 4,	1.7	15.7	41.7	71.3	86.1	92.2	97.4	2.6
No. 5,	2.7	17.1	36.0	55.0	68.5	89.2	95.5	4.5
No. 6,	10.1	28.1	46.1	58.4	74.2	83.1	94.4	5.6
No. 7,	1.2	2.4	3.5	12.9	21.2	44.7	76.5	23.5
No. 8,	7.3	19.5	37.8	59.8	65.9	79.3	84.1	15.9
No. 9,	—	2.7	6.7	13.3	25.3	50.7	74.7	25.3
No. 10,	6.9	18.1	27.8	51.4	76.4	84.7	93.1	6.9
No. 11,	2.9	11.6	44.9	68.1	76.8	82.6	91.3	8.7
No. 12,	20.0	46.2	70.8	87.7	98.5	100.0	100.0	—
No. 13,	3.2	7.9	14.3	30.2	50.8	68.3	82.5	17.5
No. 14,	1.7	8.5	16.9	33.9	40.7	57.6	74.6	25.4
No. 15,	—	—	13.8	37.9	67.1	84.5	89.7	10.3
No. 16,	4.2	14.6	31.3	45.8	58.3	79.2	93.8	6.2
No. 17,	—	4.7	18.6	39.5	65.1	79.1	88.4	11.6
No. 18,	—	8.3	16.7	27.8	44.4	66.7	75.0	25.0
No. 19,	5.7	20.0	37.1	54.3	68.6	82.9	88.6	11.4
No. 20,	—	—	—	13.3	26.7	50.0	66.7	33.3
No. 21,	—	6.7	16.7	23.3	36.7	50.0	90.0	10.0
No. 22,	10.3	17.2	44.8	65.5	79.3	86.2	89.7	10.3
Total,	5.1	17.0	33.2	52.2	66.2	79.7	89.2	10.8

Cloak, Suit and Skirt.

No. 23,	—	2.1	18.3	25.0	31.3	52.1	66.7	33.3
No. 24,	—	—	16.9	10.3	24.1	37.9	55.2	44.8
No. 25,	—	7.4	18.5	40.7	44.4	66.7	81.5	18.5
No. 26,	—	—	19.2	38.5	53.8	61.5	73.1	26.9
No. 27,	—	3.8	30.8	50.0	53.8	65.4	84.6	15.4
No. 28,	—	—	20.0	50.0	75.0	95.0	95.0	5.0
No. 29,	—	—	10.0	35.0	60.0	80.0	90.0	10.0
No. 30,	—	6.3	31.3	50.0	75.0	87.5	93.8	6.2
No. 31,	6.3	6.3	18.8	31.3	81.3	81.3	87.5	12.5
No. 32,	—	—	18.2	36.4	54.5	54.5	81.8	18.2
No. 33,	9.1	18.2	54.5	54.5	81.8	90.9	90.9	9.1
No. 34,	9.1	18.2	27.3	45.5	63.6	90.9	90.9	9.1
No. 35,	12.5	25.0	62.5	75.0	75.0	87.5	100.0	—
No. 36,	—	—	—	—	—	100.0	100.0	—
Total,	1.5	4.4	20.0	37.0	52.6	67.8	79.6	20.4
Total of all establishments,	4.6	15.2	31.4	50.1	64.4	78.1	87.9	12.1

TABLE 5.

Weekly Rates: by Establishments. (Cumulative).

Dress and Waist.

Establishments.	PER CENT. OF WORKERS WITH WEEKLY RATES OF—							
	Under $3.	Under $4.	Under $5.	Under $6.	Under $7.	Under $8.	Under $9.	$9 and over.
No. 1,	—	16.9	45.8	68.9	82.5	91.5	98.3	1.7
No. 2,	—	2.2	6.7	31.1	48.9	68.9	80.0	20.0
No. 3,	—	—	—	2.4	33.3	69.0	88.1	11.9
No. 4,	—	—	23.5	64.7	85.3	88.2	94.1	5.9
No. 5,	—	12.0	32.0	48.0	64.0	72.0	72.0	28.0
No. 6,	—	—	—	38.7	74.2	80.6	90.3	9.7
No. 7,	—	—	2.4	2.4	10.6	22.4	38.8	61.2
No. 8,	—	4.4	8.9	35.6	75.6	88.9	91.1	8.9
No. 9,	—	—	1.5	10.4	11.9	19.4	34.3	65.7
No. 11,	2.4	4.8	7.1	26.2	45.2	59.5	73.8	26.2
No. 12,	—	—	25.0	25.0	62.5	100.0	100.0	—
No. 13,	—	—	—	5.7	5.7	25.7	42.9	57.1
No. 15,	—	—	—	9.1	36.4	45.5	54.5	45.5
No. 16,	—	—	12.0	48.0	64.0	76.0	88.0	12.0
No. 17,	—	—	—	3.4	27.6	48.3	65.5	34.5
No. 18,	—	—	11.1	11.1	55.6	55.6	77.8	22.2
No. 19,	—	—	—	33.3	44.4	66.7	66.7	33.3
No. 20,	—	—	—	—	42.9	85.7	100.0	—
No. 21,	—	—	—	12.5	25.0	43.8	50.0	50.0
No. 22,	—	—	—	—	—	75.0	75.0	25.0
Total,	.1	5.1	15.5	32.6	49.7	63.5	74.3	25.7

Cloak, Suit and Skirt.

No. 23,	—	—	9.1	9.1	31.9	45.5	45.5	54.5
No. 24,	—	—	—	—	11.1	33.3	61.1	38.9
No. 25,	—	—	—	3.7	25.9	33.3	44.4	55.6
No. 26,	—	—	—	14.3	50.0	50.0	71.4	28.6
No. 27,	—	—	7.7	26.9	42.3	53.8	57.7	42.3
No. 28,	—	—	—	—	—	30.0	60.0	40.0
No. 29,	—	—	—	—	6.7	26.7	60.0	40.0
No. 30,	—	—	—	—	7.7	53.8	92.3	7.7
No. 31,	—	—	—	—	—	20.0	40.0	60.0
No. 32,	—	—	—	9.1	18.2	36.4	36.4	63.6
No. 33,	—	—	—	—	33.3	50.0	66.7	33.3
No. 34,	—	—	—	—	28.6	71.4	85.7	14.3
No. 35,	—	—	—	14.3	42.9	71.4	85.7	14.3
Total,	—	—	2.0	7.1	23.0	41.8	58.7	41.3
Total of all establishments,	.1	4.0	12.7	27.3	44.2	59.0	71.0	29.0

NOTE: Data concerning rates were not available for Establishments Nos. 10, 14 and 36.

(Page 28.)

Report of the Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

Examination of the findings of our own investigators, however, shows that the lowest range of wages is less uniformly distributed within an industry than the statement of an average would suggest. For instance, in the candy industry, with its 41 per cent. of adult women receiving less than $5 a week, a comparison of wage rates in 11 different establishments shows that the lowest wages are confined to four factories, in one of which, indeed, 53.3 per cent. of the employees received less than $5, while the other seven factories paid not one single employee of 18 or over so low a wage. The difference between these factories in the kind and the grade of their product cannot account for the differences in the wage scale, as both the higher and the lower wage scale prevailed in the factories manufacturing the cheaper line of confectionery.

Similar differences between different establishments were found in the stores and the laundries. In the stores, indeed, the large and presumably prosperous establishments of Boston in many cases paid a lower wage than was paid in some of the small suburban establishments, and lower wages than were paid in Brockton or Springfield. (Pages 11-12.)

There is a common and widespread but erroneous view that such legislation is an attempt to provide by government that low paid workers shall receive more than they earn; that it runs counter to an economic law which, by some mysterious but certain process, correlates earnings and wages. There is no such law; in fact, in many industries the wages paid bear little or no relation to the value or even to the selling price of the workers' output. Wages among the unorganized and lower grades of labor are mainly the result of tradition and of slight competition. (Page 18.)

A comparison of the first six factories shows that a manufacturer can pay for unskilled adult woman labor about what he chooses to offer. These factories are competing in practically the same labor market. They are

making more or less the same grade of goods. (Page 58.)

Comparisons, moreover, between individual factories whose wholesaling prices are nearly the same show a very marked contrast in wage scales. The wage scale, apparently, does not differ with the grade of goods made, but with the policy of the manufacturer in hiring labor. The undercutting of wages by the unscrupulous manufacturer at the expense of the defenseless working woman is evidently as common here as it was in Australia before the establishment of minimum wage boards.

It is a question whether the manufacturers, either those who undercut or those who do not, deliberately adopted their wage scale. The majority had vague ideas about the general scale or the earnings of their individual employees. Probably the undercutting manufacturers had simply put pressure on their superintendents to hold down the payroll, without knowing how it was done or its effect on the efficiency of the force or on the individual. (Pages 58-59.)

The worker in the large establishment is dealt with by the owner through his superintendent; an order goes out to decrease the amount spent for wages and the latter puts it into effect. . . . This is an admission that workers are not paid less in one place than in another because they are worth less or need less, but simply because the employer, engrossed in financing his business and extending it, in buying materials advantageously, and in keeping to the front in methods of manufacture, forgets that his payroll represents individual men and women who can be developed so that they will become, by their efficiency and health, increasingly profitable or who can be sucked of their value and thrown on the junk heap to be cared for by society. It is a question whether the State, for self-preservation in this period of large scale industries, should not insist on a substitute for the old-time personal relation between man and master, to secure to all workers at least what the well-intentioned manufacturer, close to his workman, feels that he should and can pay. (Page 60.)

No Present Standards of Wages.—United States

One of the objections to a minimum wage is that it would put the manufacturers and merchants of Massachusetts at a disadvantage with outside competitors by lifting the lower end of their wage scale. Yet the following tables show that competitors in the same locality are now succeeding under very diverse wage scales, which are determined by the policy of the various stores in hiring labor. It is quite true that a store that now maintains itself by paying low wages, or that greedily makes unfair profits by doing so, would be seriously affected by a minimum wage that would scarcely touch other stores.* (Page 117.)

Fourth Report of the New York State Factory Investigating Commission, 1915, Vol. I. Report of Commission.

In going over the reports it is apparent that these industries are in a chaotic condition as relates to standards of wages and regularity of employment. Both wages and irregularity of employment testify to this. There appears to be no wage standard throughout these trades. In one factory paper cutters were receiving from $10 to $15, while in another factory they received for the same kind of work $15 to $20. The laborers in one candy factory received $8 or over, and in another they received less, and never more. In New York City the rate for a certain line of work in shirt making was from 1 to 5 cents a dozen. In another city for a slightly better grade of work 5 to 10 cents a dozen. Some of the manufacturers were amazed at the low price paid for this labor and would not believe it until confronted by the facts. (Pages 39-40.)

Ibid. Vol. II. Appendix IV. Mercantile Establishments.

We should expect that rates would vary from place to place, throughout the state. This is brought out in Table 3 of the statistical appendix. For instance, it is

*For earlier figures similar to those given on pages 148-168, see op. cit., pages 117-119; 160-162.

there shown that whereas in New York City 15% of the female help is paid less than $5 and 27% $10 or over, in the smaller cities only 11% of the female employees are paid under $5 and 26% are paid $10 or more. (Pages 24-25.)

It is also true that the rates vary for different classes of establishments. The following proportions of all persons of each sex receiving rates below $8 may serve to illustrate:

	Males	Females
Department Stores	14.4%	52.6%
Neighborhood Stores	21.5%	68.4%
5 and 10 Cent Stores	20.9%	98.8%

It is also well known that rates for the same occupation in similar stores vary. Take for example the following distribution for saleswomen in two large department stores in Manhattan:

	Under $5	$5-$9.99	$10-$14.99	$15 & Over
Establishment A	6%	85.2%	12.7%	1.6%
" B	——	14.3%	43.9%	41.8%

To be sure, there is some difference in the ages of the women and in the lines of goods sold. But if two stores in the same community can do business upon such a different wage scale, many of the advantages of high and of low paid help must be purely a matter of preference with the firms. (Pages 70-72.)

It should be noted that these figures do not include extra or part time help. . . . These rates are lower than those for the same proportions of all employees previously enumerated. (Page 70.)

Ibid. Vol. II. Appendix IV. The Paper Box Industry.

In few factories is there any exact record of the production for time workers. The weekly rates are therefore generally fixed by guess work, and vary considerably within the same establishment without apparent reason.

Neither is there often a systematic determination of piece rates, although in a few places some attempt has been made to standardize piece rates or at least to get the employees to take an intelligent part in the process. Thus, one factory, whose product is to a large extent stable, varies its piece rates according to the price it obtains for the product. In another factory, whose operation is very steady, but whose products vary greatly, new articles are given to three workers chosen as slow, ordinary, and speedy operators. Their production for a given time is averaged, and the piece rate is set on the basis of this average. This method seems to work very satisfactorily. (Pages 237-238.)

But even within the same immediate locality there are wide divergences in rates paid for similar work. For instance, one Brooklyn factory pays its cutters $10-$15; another $15-$20. The product in both instances is of the same class. These discrepancies are found throughout the trade. Sometimes steadiness of work, type of management or character of employees will help explain the differences. In other cases they appear to be due to relative knowledge and skill in bargaining on the part of employer and employee. Even those who do the same kind of work in a shop are sometimes on a different scale of wages. (Page 243.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Confectionery Industry in New York State.

There are also great differences in wages for work that is apparently the same. Some firms pay consistently 25 per cent. more than their rivals for similar operations. For instance, in one wholesale candy factory no ordinary male laborer receives as much as $8 per week; in another of the same general type every such person receives over $8. In the former plant no female packer receives as much as $5.50 per week, nor any hand dipper as much as $8. In the other establishment the majority of women workers in such lines exceed these rates. These divergencies extend to ma-

chine processes of identical character. Difference in grade of product may in part explain such variations; but certain factories have the reputation of paying wages considerably below or above current rates. (Page 312.)

Ibid. Vol. II. Appendix IV. Wages in the Millinery Trade.

That the experience of the employer or the casual observation of the forewoman is a sufficiently accurate method of determining wage rates, seems to be the common belief in the trade, but, after all, it is but the rule-of-thumb method which the efficiency engineers are trying to persuade manufacturers in other industries to abandon in favor of more scientific plans for keeping individual records. Of course, for piece workers, the earnings are determined by the number of hats they trim, but the same hit-or-miss method applies here in the fixing of rates per piece. In fact our questions about methods of determining rates of pay, and plans for promotion, usually puzzled the employers. Their most frequent reply was that it was impossible to standardize wages in millinery. It is probable that this was really a confession of failure to grapple with the problem.

As might be expected from this chaotic method of bargaining, the wage scales vary greatly from firm to firm even in the same branch of the trade. . . . The median is $6.25 in one wholesale shop and $12.50 in another, $5 in one retail establishment and $13.58 in another. This difference between different firms is one of the most important facts brought out in this as in other wage studies. It indicates the need for some method of determining fair standards of remuneration and enforcing them uniformly in the same trade in the same locality, exactly as hours of work and sanitary conditions can be standardized to the advantage of all firms, whose plane of competition is thus established. (Page 429.)

United States Congress. Senate Document No. 645. Report on Condition of Woman and Child Wage Earners in the United States. Vol. II. Men's Ready-Made Clothing. 61st Congress, 2nd Session, 1911.

In a study of earnings by occupations in the manufacture of clothing it is well to call attention to one feature—the absence of what might be called a standard wage in the industry. This is true of both men and women, and of both piece and time workers. Examining the weekly rates in the same occupation, the workers in a given employment are found distributed according to their earnings over a wide range in the wage scale. Examining the earnings of piece workers, their earnings are found to be similarly differentiated. Wages where paid by the week are fixed in the trade either according to the efficiency or capacity for bargaining of the worker, or by an arbitrary determination, and not according to a particular time rate. Piece rates similarly allow for very considerable variation in earnings.

A few illustrations may be given of the earnings of women. There are available data for 32 female edge basters 21 years and over working by the week in coat shops; their average computed earnings for a full week are $9.17. Of these the largest number, 11, earn $9 to $10, 5 earn $7 to $8, 5 others $7 to $9, and 4 earn $11 to $12. The earnings of those 18 to 20 years of age are similarly distributed over a range of $4.

Thirty-five female buttonhole makers at 18 to 20 years of age, working by the piece, average in a full week $10.34. Seven earn between $7 and $8, 5 between $8 and $9, 6 between $9 and $10, 3 between $10 and $11, and 3 between $11 and $12. These illustrations are chosen because the work done is similar. (Page 194.)

Ibid. Vol. III. Glass Industry.

The variations in the wage rates paid by different factories for the same work are frequent and great. In each occupation listed, except that of washing, the high-

est wage paid by the establishments at one extreme is at least double that paid by the establishment at the other extreme, and in the excepted occupation of washing the variation is little short of 100 per cent. In grinding the variation is particularly great, the difference between 6.2 cents an hour and 15 cents an hour being, on a 58-hour per week basis, the difference between $3.60 a week and $8.70 a week. (Page 408.)

United States Congress. Senate Document No. 645. Report on Condition of Women and Child Wage Earners in the United States. Vol. XVIII. Employment of Women and Children in Selected Industries. 61st Congress, 2nd Session, 1911.

. . . Apparently the wages of women in factory industries are very largely unstandardized. In general they are low, but the degree of their lowness seems not to vary so much with the character of the work done as with the custom of a given industry, or, more accurately, of a given employer, for earnings within a given industry varied widely from one establishment to another. (Page 24.)

Confectionery.

The variations in the wage level for the same age groups in various states are suggestive. In general it seems safe to assume that by the time a woman is 18 years of age she has gained whatever industrial value she is likely to have in such mechanical processes as those in which she is engaged in a candy factory. And since the work done by women in candy factories does not differ greatly in character from state to state, it also seems a reasonable assumption that the value of a woman aged 18 years and over would be approximately the same to her employer whether she worked in Massachusetts or in Maryland, in Georgia, or in Wisconsin. Yet, as the following table shows, the difference in proportion earning even so moderate a wage as $6 is marked.

Per Cent. of Female Workers Aged 18 Years and Over in Specified Earnings Groups, by States—Confectionery.

	Number	Per cent. with weekly earnings of			
		Under $5	Under $6	Under $8	$10 and over
Massachusetts	506	25.5	54.2	86.4	3.8
New York	370	30.5	56.5	84.3	3.5
Pennsylvania	248	41.5	61.7	91.1	.8
Ohio	156	41.7	65.4	89.1	1.3
Indiana	63	65.1	79.4	90.5	1.6
Wisconsin	136	70.6	85.3	97.1	1.5
Maryland	73	71.2	83.6	94.5	4.1

(Pages 135-136.)

. . . Such wide variations indicate a total lack of standardization in wages. There seems to be no recognized wage level which a worker of given age and ability may hope to attain. What she gets appears to depend partly upon her own bargaining powers, partly upon the prevailing sentiment of the community as to what wages should prevail, and most of all upon the attitude of her individual employer.

The female workers in the confectionery industry are largely unskilled, they are usually young, to a considerable extent they are foreigners, and they are unorganized. Consequently they are peculiarly unable to have any effective voice in fixing their wages. They take what they can get and, at least in the establishments covered by this investigation, the majority were plainly getting less than a living wage. (Page 136.)

Tobacco and Snuff.

. . . The lack of any standard of wages in the industry. In one factory an employer declares he does not want and will not keep a woman who after a reasonable novitiate cannot make herself worth at least $6 a week; in another, the woman who earns $6 is a decided exception. The wages paid are practically a factory matter,

and vary as widely as the sanitary and hygienic conditions under which the work is carried on. (Page 321.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage-Earners in Oregon, with Special Reference to Portland. CAROLINE J. GLEASON. *Portland, Oregon, 1913.*

Owing to the lack of organization among women workers and the secrecy with which their wage schedules are guarded, there are absolutely no standards of wages among them. Their wages are determined for the most part by the will of the employer without reference to efficiency or length of service on the part of the worker. This condition is radically unjust. (Page 6.)

Efficiency is certainly not the standard according to which the majority of workers are paid. This was evidenced (1) by the dismissal of highly paid, experienced employees and the employment of young, inexperienced substitutes; (2) by the reduction of rates on piecework when employees had reached a certain earning capacity; (3) by the fact brought out again and again, that though employees were retained for years of service, though their efficiency increased with time, they found it an impossibility to keep their position and bring their wages above a certain low figure. (Pages 23-24.)

One of the greatest complaints to be found with the large department store management is that as far as anyone can find out, they have no system of advancement of employees. Amount of sales, increase or decrease, is watched, to be sure, but apparently only to dismiss the employee if he or she does not come up to a certain standard. When the regulation of wages is left to the head of each department, the demand that the returns from the department be kept at a certain figure is likely to result (for men and women alike) in the dismissal of competent, high-paid clerks, or reduction of their wages. . . .

A rule existing, written or unwritten, in all the larger stores, is that the girls must not tell others what wage they are getting. Divulging this information has re-

sulted in instant dismissal. One firm goes so far as to require a signed promise from the girl that she will not tell any other employee her wage. (Page 26.)

Artificial Flower Makers. MARY VAN KLEECK. *Russell Sage Foundation Publication, New York, 1913.*

The fixing of the wage seems indeed to be a matter of chance. It was described by a forewoman, who said that although a definite percentage of the price of the flower was always allowed for salesmen's pay and firm's profits, the wage rate was determined by the forewoman's guess. She made it as low as possible without causing a spontaneous uprising in the workroom. As no trade union has been developed to force flower manufacturers to adopt a definite wage scale, it is inevitable that variety and fluctuation should characterize the earnings of flower makers. (Page 67.)

We have seen, too, that chance seems to control the wage scale. Processes vary and piece-work earnings must be readjusted with each change in the product. The workers, unstable as they are likely to be and heterogeneous in nationality, have never succeeded in organizing a trade union to compel forewomen or employers to consider their interests in the wage bargain. Furthermore, for every worker in the shop at least one woman or child is working at home, members of a scattered industrial group without the least sense of common interests or power to ask for higher pay. All these uncertain elements influence wages and prevent the establishment of a standard. Until wage standards of some kind are recognized, personal efficiency will not be properly rewarded. Until conditions in the trade are so changed that adequate payment will be made for work well done, skill will be increasingly rare. (Page 218.)

Women in the Bookbinding Trade. MARY VAN KLEECK. *Russell Sage Foundation Publication. New York, 1913.*

In making comparisons of rates of pay in different establishments, possible differences in grade of work

must be carefully noted. It is fair, however, to compare the rate per hour for such comparatively uniform work as filling the boxes of the gathering machine. Some binderies pay 15 cents an hour for this work, some 17½ cents, and some 18 cents. A difference of 3 cents an hour in a forty-eight-hour week amounts to $1.44, not a small sum in the eyes of a low-paid worker. Information given both by workers and employers indicate a difference of 50 per cent. in the rate for hand folding in different binderies, one employer paying 1 cent per 100 sheets, folded once, and another paying a cent and a half. One worker who was employed in several binderies in quick succession said that for a large "two-fold" she received 2 cents per 100 in one bindery, and 3 cents per 100 in another, the size and grade of paper being the same. For folding a circular, "four-fold and cut," she received 5½ cents per 100 in one bindery, and 6½ cents in another. For gathering and collating magazines she said that the rate in one bindery was 1 cent per 100 signatures, and in another three-quarters of a cent. (Pages 82-83.)

Some Aspects of the Minimum Wage. H. A. Millis. *Journal of Political Economy, February, 1914.*

One of the most striking facts brought out in all the investigations of trade and industry is that there is no well-defined level of women's wages in a given branch of employment. There is no standard. The scales differ greatly from one establishment to another either because of mismanagement and antiquated methods which do not permit some of the employers to pay more and make a profit, or because the employers exploit their laborers for an unusual gain. In either case, wages may be pushed down because of the absence or weakness of unions, the immobility and ignorance of the women, and the fact that there is an easy entrance to, but a congested exit from, the unskilled labor supply in which they find a place. (Pages 138-139.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

It is evident that, though the rates obtaining in Leeds and Manchester are still considerably higher than those obtaining in parts of the south, yet the margin between them has been reduced by the Trade Board. It is evident also, however, that the only reason why the industry should move from the latter districts to the former is the actual inability of the southern employers to pay more. If such inability does not in fact exist, if, for example, the low wages of women in the eastern counties and in some branches of the trade in London are due to some other cause than that employers cannot pay more without going out of business, or if an advance in wages results in changes which tend to neutralise the additional cost which the advance imposes, there is obviously no reason why any serious dislocation should result from the fact that the Trade Board has compelled about one-third of the firms in the industry to pay higher rates than hitherto. Now, paradoxical though it may sound, both these contingencies are really not contingencies, but facts. An examination of the local variations of wages in the tailoring trade suggests that they bear little, if any, relation to the comparative resources of the industry in different localities. (Pages 107-108.)

If, as appears to be the opinion of persons with practical experience, the difference in wages in different districts is not to be explained by different facilities for carrying on the industry, to what is it due? It is due, it is often said, to custom, and it is quite true that custom plays a larger part in industry than is always realised. But behind the different customary wage-levels stand real differences in the strategic position of women workers in different parts of the country. As far as women at any rate (and, indeed, the more poorly paid section of men) are concerned, there is no such thing as that which used sometimes to be described as "a general rate of wages". (Page 110.)

The prevalence of a low rate of wages in one district in which an industry is carried on is not in itself a proof that the industry in that district cannot pay more, or would suffer if wages were raised. The prevalence of a high rate of wages in that part of the same industry which is carried on in another district is not a proof that the industry can afford to pay more than it can in the district where low wages are paid. (Page 111.)

These general considerations appear to be confirmed by the circumstances of the tailoring trade. If one examines the local variations of wages in that industry, what one finds is that, while the same kinds of clothing are made in several different parts of the country, earnings for the same work vary enormously according to the district in which it is carried on. These variations correspond roughly to two factors—first, the opportunities open for other kinds of female employment; second, the character of the employments pursued by men. In Hebden Bridge and Leeds women earn 4d to 6d an hour for work on which in London or East Anglia they used, before the Trade Board's determination, to earn 2½d, for in Leeds and Hebden Bridge the woollen or cotton mills offer abundant employment for women, and employers must see that they earn fairly good wages in order to secure their services. In Manchester they earn 3½d to 5d, for they live in a district where there is a keen demand for women as cotton weavers. The far lower earnings of tailoresses in the eastern counties and in London are not due to the fact that the industry there is of a different kind, but are caused by the general industrial character of those districts. In the eastern counties men's wages are low; there is a large agricultural population within easy reach of Colchester and Norwich; because men's wages are low, large numbers of their wives and daughters have to supplement the family income, and women's labour is cheap. In London there are, of course, many highly paid male workers. But in East London there is a vast body of workers, including probably some 20,000 engaged about the docks alone, whose annual earnings are low, because,

whatever their hourly rate, their employment is irregular. The presence of this mass of precariously employed and ill-paid male labour causes the organisation of many, though not all, firms in the tailoring trade in London and in the East Anglian centres of the industry to be different from that which obtains in the north. (Pages 111-113.)

What happens in fact is that wages are lower in certain districts than in others, not because the industry cannot afford to pay as much in the former as in the latter, but because the conditions in other industries—in London, in particular, dock labour—are such that women are obliged to work on any terms that they can get. (Page 115.)

The State and the Minimum Wage in England. John A. Hobson. *The Survey, February 6, 1915.*

The most important change in the character and direction of the social reform movement in Great Britain within the last two years has been the emergence of the legal minimum wage as the chief direct object of practical endeavor. . . .

The experiment has proved successful even beyond the expectation of the promoters. The general practice has been to level the wage for the whole trade in each district up to the standard of the best employer in that district. One of the evils of these sweated trades had been the wide discrepancy of rates as between one firm and another, one town and another. This leveling-up process has raised the rates in many instances as much as 100 per cent. or more. Sweating always implies inefficiency both of the work done and of the business management. One of the first effects of the trade board was to give publicity to the actual conditions. Another was to bring the various employers for the first time into touch with one another and to oblige them to consult together for the conduct of their trade. The worse employers thus learned from the better that higher wages need not ruin them. . . . (Page 503.)

(2) Wages and Irregularity of Employment.

Regularity or irregularity of work determines the earnings of the workers. Irregularity of employment with consequent loss of wages is found in various degrees and of various kinds in almost all industries. Such irregularity may entail long or short periods of unemployment. In many industries workers are completely dropped from the payrolls during several months each year, owing to seasonal fluctuations of work. Or they may be temporarily laid-off during the dull season, or employed "short time," that is, a few hours each day or on only some days in the week.

Irregularity of work, with consequent loss of pay, is due sometimes to bad management, whereby the workers are kept waiting or dismissed early for lack of materials or through breakdowns of the machinery.

Besides these industrial causes, there are also personal causes for irregular employment. Chief among these are sickness of the employee, looking for work or shifting between jobs in slack seasons.

Whatever its cause, the outstanding fact regarding irregularity of employment is its disastrous effect upon wages. Deductions for time lost in any way obviously reduce the actual earnings below the nominal rates of pay. Investigation proves that in many trades the workers' earnings customarily fall between 10 and 20 per cent. below their nominal weekly wages. This is true not of single extreme cases, nor in extraordinary seasons. It is true of regular steady workers in many representative industries, situated in various states. The wages of the

more irregular workers who are taken on at "rush seasons" fluctuate even more widely.

(a) THE DIFFERENCE BETWEEN NOMINAL RATES AND ACTUAL EARNINGS.

The weekly deficit in actual earnings as compared with nominal rates of pay has been shown in the preceding section, as part of the variation in different establishments. In the following tables, the deficit in actual earnings as compared with nominal rates is further illustrated, according to the occupation of the workers. Such deductions are most common among the lowest paid workers who are obviously least able to save in advance and maintain themselves while out of work.

A Living Wage by Legislation. The Oregon Experience. Rev. Edwin V. O'Hara, *Chairman, Industrial Welfare Commission of Oregon. State Printing Department, Salem, 1916.*

A point to bear in mind in all wage discussion is that there is an important difference between the wage rate and the contents of the pay envelope. Unemployment plays havoc with income. Some occupations seldom furnish a full week of employment; others have seasons of rush alternating with seasons when a large part of the working force is let off. In either case a worker whose *wage rate* while actually employed borders on the subsistence minimum will find her actual annual income far below her necessary cost of decent subsistence. An interesting item in the report on the result of the wage determinations in Oregon is that which shows that while the wage law caused an advance in the wage rate it resulted in a still more marked increase in the contents of the weekly pay envelope, indicating a tendency to regularize employment and to reduce the evils of unemployment. (Page 16.)

United States Public Health Service. Bulletin No. 76. March, 1916. Health Insurance: Its Relation to the Public Health. B. S. WARREN, *Surgeon, U. S. Public Health Service, and* EDGAR SYDENSTRICKER, *Public Health Statistician, U. S. Public Health Service.*

Irregularity of Employment.

Irregular employment in its relation to industry has been the subject of many investigations. Though these investigations have been made with other purposes in mind, they have shown that irregular employment has a very definite relation to the health of the workers both as a cause and effect of sickness.

Effects of irregular employment upon health.—The actual effects of irregular employment upon the health of workers, as observed by physicians and students of industrial conditions, are so familiar that they need not be discussed here at any length. The very fact that the income of a worker is uncertain has been found to be a cause of impaired physical efficiency. . . .

The effects of irregular employment are not limited to the physical impairment caused by worry and periodic overdriving. The lessened opportunity to earn wages caused by irregular employment or by physical disability means a smaller income and therefore a lessened ability to maintain a healthful standard of living. The earnings of workers whose rates of pay would be adequate to provide for healthful conditions of living if they could work steadily are often so reduced by irregular employment that a condition of poverty is the result. (Page 16.)

Unemployment as a factor in the public health problem.—There can be no doubt, therefore, that irregularity of employment as a condition which affects the wageworker's efficiency and the standard of living of his family is fundamentally related to the relief and prevention of disease among the industrial population. In the light of these considerations, irregularity of employment takes on a new significance for public health agencies.

This phase of the public health problem not only con-

cerns the State or the Nation as a whole, but it confronts every industrial community. The familiar statements and statistics of unemployment which almost annually appear from industrial centers and large urban localities are capable of an interpretation which is very significant from the standpoint of prevention of sickness. (Page 17.)

Industrial Conditions in Springfield, Illinois. A Survey by the Committee on Women's Work and the Department of Surveys and Exhibits, Russell Sage Foundation. June, 1916. Louise C. Odencrantz *and* Zenas L. Potter.

The incomes of work people are a matter of community concern because they fix to a very great extent the standard of living of workers' families. Within certain limits they determine the kinds of houses these families live in, the quality of the food they eat, the kinds of clothes they wear, the amounts they are able to put by for a rainy day, and they have a clear bearing upon the family's present and future problems of self-support and economic independence. They also set limits to the educational advantages which many workmen's children may enjoy. The incomes of wage-earners, therefore, particularly among the lower paid working people, are closely related to the community problems of housing, public health, compulsory education, child labor, and even charitable assistance.

Workmen's earnings, however, must be measured with two things in mind; not alone wage rates, but also the regularity of employment—not to mention a third consideration, the cost of living. The family of a man who earns a high hourly rate, for example, but whose work is irregular, may not be as well off as that of a man whose wage rate is lower but who has steady employment the year round. (Page 68.)

The importance of irregularity of employment as an industrial problem, while receiving attention from time to time is, nevertheless we believe, not generally appreciated. In fact, it is only when one begins to in-

vestigate irregular employment that it looms up in its real proportions, and one sees what a factor it is in determining the yearly income of wage-earners. A telling illustration of this fact is that out of the 272 wage-earners in the families of 100 Springfield workmen already referred to, one-fifth had not earned a cent the week previous to the date on which our information was gathered, while over a third had had irregular work during the whole of the preceding year. (Page 69.)

*Massachusetts Minimum Wage Commission. Bulletin No. 4, October, 1914. Wages of Women in the Candy Factories in Massachusetts.**

Table I. (a) and (c) afford a comparison of the actual weekly earnings of the candy workers as shown by the payroll entries of the amounts paid them each week of the year, and their weekly rates, or the amounts which they are scheduled to earn if they work for the maximum running time of the factory, do not come late, or leave before the factory closes, or incur fines or other deductions. The discrepancy is most striking in the case of the low-paid workers; only 1.2 per cent. of the total working force of all the factories were rated at less than $4 a week; yet the pay rolls show that 23.1 per cent., or nearly a fourth of the workers, actually averaged less than $4 a week for the year. Again, only 24.8 per cent. were scheduled to receive less than $5 a week, while about one-half (49 per cent.) really received less than that amount. Doubtless many of these conspicuous differences between the scheduled rates and the contents of

* In this and the following Massachusetts Bulletins, all records of persons who appeared on the pay roll for less than four weeks out of the fifty-two under consideration were thrown out. This was done in order that the conclusions reached might apply only to workers who could legitimately be considered a part of the normal working force of the industry. In computing weekly earnings the procedure for each individual was as follows: the sum of all payments made during the fifty-two week period, that is, the worker's total income from her work for the year, was found. This sum was divided by the number of weeks during which she was actually at work, as indicated by the number of weekly payments made to her. In this way her average weekly income for the time she was at work in the industry under consideration was ascertained.

the pay envelopes are to be explained by illness or carelessness and lack of interest on the part of the girls themselves. Some of the discrepancy is due to that element in the working force which is made up of girls who work only for two or three days in a week and then leave the factory, but a considerable factor in the situation is the shortage of factory work in the dull season, which sometimes requires, in addition to the general shutdown after Christmas rush and in July, the closing of departments for a day or two at a time. (Pages 21-22.)

TABLE 1 (*a*). CANDY FACTORIES.

Average Weekly Earnings: by Occupations.

Occupations.	PER CENT. OF WORKERS WITH WEEKLY RATES OF—															
	Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Dipping	101	12.8	131	16.7	124	15.8	131	16.7	141	17.9	114	14.5	44	5.6	786	100
Plain packing	105	17.8	162	27.5	142	24.1	103	17.5	42	7.1	22	3.8	13	2.2	589	100
Fancy packing	103	17.5	167	28.4	155	26.3	98	16.6	47	8.0	14	2.4	5	.8	589	100
Machine tending	78	22.7	109	31.0	95	27.6	45	13.1	11	3.2	4	1.2	2	.6	344	100
Floor work	140	48.1	74	25.4	54	18.6	17	5.8	6	2.1	—	—	—	—	291	100
Candy wrapping	67	23.5	73	25.6	56	19.7	44	15.4	12	4.2	16	5.6	17	6.0	285	100
Nut sorting	24	42.1	21	36.8	9	15.8	3	5.3	—	—	—	—	—	—	57	100
Miscellaneous	150	39.0	124	32.2	50	13.0	32	8.3	17	4.4	10	2.6	2	.5	385	100
Total	768	23.1	861	25.9	685	20.6	473	14.2	276	8.3	180	5.4	83	2.5	3,326	100

(Page 28.)

Table I. (c)

Weekly Rates: by Occupations.

Occupations.	Number and Per Cent. of Workers with Weekly Rates of—															
	$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Dipping	6	.8	124	15.8	109	13.9	109	13.9	153	19.5	200	25.6	82	10.5	783	100
Plain packing	—	—	116	20.0	198	34.2	118	20.4	82	14.2	41	7.1	24	4.1	579	100
Fancy packing	3	.5	95	16.3	203	34.7	140	24.0	95	16.3	37	6.3	11	1.9	584	100
Machine tending	2	.6	93	27.5	99	29.3	103	30.5	29	8.6	7	2.0	5	1.5	338	100
Floor work	5	1.7	175	60.4	67	23.1	32	11.0	9	3.1	2	.7	—	—	290	100
Candy wrapping	3	2.1	48	34.0	40	28.4	18	12.8	30	21.3	2	1.4	—	—	141	100
Nut sorting	—	—	21	65.6	10	31.3	1	3.1	—	—	—	—	—	—	32	100
Miscellaneous	20	5.2	112	29.3	125	32.7	65	17.0	43	11.3	13	3.4	4	1.1	382	100
Total	29	1.2	784	25.1	851	27.2	586	18.7	441	14.1	302	9.7	126	4.0	3,129	100

Note: Of the total 3,326 persons whose records were studied, weekly rates were not obtained for 197 persons, of whom 78 were piece workers and 16 were both time and piece workers.

(Page 30.)

Massachusetts Minimum Wage Commission. Bulletin No. 5. October, 1914. Wages of Women in the Laundries in Massachusetts.

TABLE I. (a)

Average Weekly Earnings: by Occupations.

Occupations.	Number and Per Cent. of Workers Earning—															
	Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Shaking	153	34.5	148	33.3	115	25.9	25	5.6	3	.7	—	—	—	—	444	100
Marking and sorting	5	1.2	27	6.2	66	15.1	96	22.0	78	17.8	84	19.2	81	18.5	437	100
Hand ironing	3	.8	10	2.7	39	10.3	71	18.7	103	27.2	83	21.9	70	18.4	379	100
Catching and folding	22	6.8	89	27.4	146	44.9	53	16.3	12	3.7	2	.6	1	.3	325	100
Miscellaneous flat-work ironing	19	6.5	80	27.7	120	41.5	47	16.3	17	5.9	6	2.1	—	—	289	100
Feeding	10	3.7	67	25.3	130	49.1	39	14.7	18	6.8	—	—	1	.4	265	100
Starching and dampening	11	6.3	23	13.2	32	18.4	25	14.4	28	16.1	31	17.8	24	13.8	174	100
Collar ironing and finishing	1	.9	9	8.2	29	26.4	36	32.7	23	20.9	5	4.5	7	6.4	110	100
Body and sleeve ironing	3	3.3	4	4.3	12	13.0	17	18.5	25	27.2	16	17.4	15	16.3	92	100
Inspecting, shirt and coat folding	—	—	1	2.1	5	10.4	14	29.2	10	20.8	7	14.6	11	22.9	48	100
Sewing and mending	3	7.5	—	—	5	12.5	10	25.0	11	27.5	6	15.0	5	12.5	40	100
Cuff, neckband and yoke operating	—	—	—	—	7	21.2	13	39.4	8	24.2	3	9.1	2	6.1	33	100
Bosom press operating	—	—	—	—	—	—	2	7.4	7	26.0	9	33.3	9	33.3	27	100
Hand washing	—	—	—	—	—	—	6	35.3	4	23.5	5	29.4	2	11.8	17	100
Miscellaneous	12	4.3	40	14.2	79	28.1	59	21.0	49	17.5	27	9.6	15	5.3	281	100
Total	242	8.2	498	16.8	785	26.5	513	17.3	396	13.4	284	9.6	243	8.2	2,961	100

(Page 29.)

Table II.

Weekly Rates: by Occupations.

Occupations.	Number and Per Cent. of Workers With Weekly Rates of—															
	$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Shaking	5	1.1	177	40.1	137	31.1	99	22.4	21	4.8	2	.5	—	—	441	100
Marking and sorting	1	.2	3	.7	32	7.7	69	16.6	84	20.1	69	16.6	159	38.1	417	100
Hand ironing	—	—	—	—	3	.9	24	7.1	76	22.4	96	28.3	140	41.3	339	100
Catching and folding	—	—	20	6.3	123	38.6	128	40.1	40	12.5	7	2.2	1	.3	319	100
Misc. flat-work ironing	1	.3	39	13.5	63	21.9	122	42.4	44	15.3	18	6.3	1	.3	288	100
Feeding	—	—	6	2.3	91	34.5	124	47.0	35	13.2	6	2.3	2	.7	264	100
Starching and dampening	3	1.8	11	6.7	24	14.5	28	17.0	27	16.4	25	15.1	47	28.5	165	100
Collar ironing and finishing	—	—	1	.9	9	8.6	34	32.4	29	27.6	21	20.0	11	10.5	105	100
Body and sleeve ironing	—	—	4	7.0	4	7.0	9	15.8	15	26.3	14	24.6	11	19.3	57	100
Inspecting, shirt and coat folding	—	—	—	—	2	4.4	7	15.2	11	23.9	12	26.1	14	30.4	46	100
Sewing and mending	—	—	—	—	2	5.0	5	12.5	15	37.5	7	17.5	11	27.5	40	100
Cuff, neckband & yoke operating	—	—	—	—	—	—	7	24.1	14	48.3	5	17.2	3	10.3	29	100
Bosom press operating	—	—	—	—	—	—	—	—	2	10.5	10	52.6	7	36.8	19	100
Hand washing	—	—	—	—	—	—	1	6.2	4	25.0	3	18.8	8	50.0	16	100
Miscellaneous	—	—	4	1.8	54	23.8	51	22.5	42	18.5	48	21.1	28	12.3	227	100
Total	10	.4	265	9.6	544	19.6	708	25.5	459	16.5	343	12.4	443	16.0	2,772	100

Note: Of the 2,961 persons whose records were studied, weekly rates were not obtainable for 189 persons, of whom 107 were piece workers.

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Difference Between Rates and Earnings.—United States

Table II corresponds in form to Table I,* except that weekly rates of payment instead of amounts actually received are taken into consideration. This table shows the general tendency of rates to lie appreciably higher than earnings. Only 29.6 per cent. of the workers were scheduled to receive less than $6 a week, in contrast to 51.5 per cent. who actually received payments of less than $6. In the same way, 16 per cent. were scheduled at over $9, but only 8.2 per cent. actually received as much as $9.

The cause for the general failure to earn the full amount is one concerning which employers and employees differ, in much the same way as they differ with regard to the reasons for unemployment, a matter which is discussed at a later point in the study. Just what amount of the failure to make full wages can be ascribed to compulsory short time, and what amount to the preference of the employee, is one concerning which the commission has not been furnished with material upon which an impartial judgment could be based. (Pages 22-23.)

*Pages 190-191.

Massachusetts Minimum Wage Commission. Bulletin No. 6. March, 1915. Wages of Women in Retail Stores in Massachusetts.

In Table III are shown the number and percentage of workers who are scheduled to be paid at the various rates specified.* It is a well-known fact that on account of illness, lateness and other causes which bring about short time and days out of work, the amounts received by mercantile as well as industrial workers in their pay envelopes at the end of the week often fall more or less short of the scheduled rates. . . . (Pages 22-23.) Unpaid absences and fines reduce the number actually receiving the given amount below the number scheduled to receive it, as just stated, and so increase the numbers in the preceding dollar groups. . . .

Over one-half of the workers under consideration in this table are scheduled to earn more than $8 a week, yet, as has been shown, only one-third actually receive more than $8 a week. The workers fall into lower earning groups than their scheduled rates of pay would indicate, and the result is shown by the fact that only 22.6 per cent. were scheduled to receive less than $6, but as a matter of fact fully one-third of the workers under consideration earned on the average less than $6 a week during the year. (Page 23.)

* The following statistics do not include the "extras" employed irregularly before Christmas, etc. See Bulletin No. 6. Page 20.

Table I (*a*). Retail Stores.

Average Weekly Earnings: by Occupations (Regulars).

Occupations.	Number and Per Cent. of Workers Earning—																					
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and under $6.		$6 and under $7.		$7 and under $8.		$8 and under $9.		$9 and under $10.		$10 and under $11.		$11 and under $12.		$12 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Saleswomen	6	.2	44	1.3	142	4.1	467	13.6	520	15.1	798	23.3	486	14.2	332	9.7	181	5.3	149	4.3	305	8.9	3,430	100
Office employees	5	.5	43	4.4	77	7.9	119	12.2	160	16.4	270	27.8	117	12.0	56	5.8	46	4.7	23	2.4	57	5.9	973	100
Counter cashiers and examiners	42	7.2	156	26.9	290	49.9	53	9.1	15	2.6	19	3.3	3	.5	3	.5	—	—	—	—	—	—	581	100
Messengers and bundlers	140	33.4	209	49.9	56	13.4	14	3.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	419	100
Alteration workroom employees	—	—	2	.7	7	2.4	5	1.7	27	9.4	52	18.1	94	32.6	33	11.5	9	3.1	13	4.5	46	16.0	288	100
Millinery workroom employees	16	9.6	8	4.8	18	10.7	11	6.6	17	10.2	14	8.4	22	13.1	13	7.8	8	4.8	7	4.2	33	19.8	167	100
Other workroom employees	—	—	1	.9	2	1.7	4	3.4	9	7.7	44	37.6	29	24.8	10	8.5	5	4.3	8	6.8	5	4.3	117	100
Stock girls	—	—	1	1.8	24	43.6	17	30.9	4	7.3	4	7.3	1	1.8	3	5.5	1	1.8	—	—	—	—	55	100
Miscellaneous	9	2.1	66	15.8	87	20.8	45	10.7	50	11.9	90	21.5	29	6.9	13	3.1	5	1.2	13	3.1	12	2.9	419	100
Total	218	3.4	530	8.2	703	10.9	735	11.4	802	12.4	1,291	20.0	781	12.1	463	7.2	255	4.0	213	3.3	458	7.1	6,449	100

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Table III.

Weekly Rates: by Occupations (Regulars).

Occupation.	Number and Per Cent. of Workers with Weekly Rates of—																					
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and Under $10.		$10 and Under $11.		$11 and Under $12.		$12 and Over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Saleswomen	—	—	10	.3	61	1.8	118	3.4	526	15.3	651	19.0	939	27.4	357	10.4	263	7.7	99	2.9	406	11.8	3,430	100
Office employees	—	—	10	1.0	58	6.0	61	6.3	120	12.3	141	14.5	313	32.2	94	9.7	70	7.2	25	2.5	81	8.3	973	100
Counter cashiers and examiners	28	4.8	21	3.6	256	44.1	200	34.4	32	5.5	5	.9	35	6.0	2	.3	2	.4	—	—	—	—	581	100
Messengers and bundlers	—	—	232	55.4	145	34.6	28	6.7	9	2.1	4	1.0	1	.2	—	—	—	—	—	—	—	—	419	100
Alteration workroom employees	—	—	1	.4	3	1.1	6	2.3	2	.8	14	5.3	46	17.6	83	31.7	42	16.0	6	2.3	59	22.5	262	100
Millinery workroom employees	5	3.0	9	5.4	9	5.4	15	9.0	15	9.0	14	8.4	17	10.2	20	11.9	14	8.4	7	4.2	42	25.1	167	100
Other workroom employees	—	—	1	.9	—	—	—	—	3	2.6	7	6.1	59	51.7	19	16.7	6	5.3	5	4.4	14	12.3	114	100
Stock girls	—	—	1	1.8	5	9.1	20	36.4	17	30.9	2	3.7	6	10.9	1	1.8	2	3.6	—	—	1	1.8	55	100
Miscellaneous	1	.3	19	4.9	64	16.4	58	14.9	49	12.6	20	5.1	106	27.2	29	7.5	14	3.6	3	.8	26	6.7	389	100
Total	34	.5	304	4.8	601	9.4	506	7.9	773	12.1	858	13.4	1,522	23.8	605	9.5	413	6.5	145	2.3	629	9.8	6,390	100

Note: Of the total 6,449 persons whose records were studied, weekly rates were not available for 59 persons.

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TABLE XVI. (a)

Average Weekly Earnings: by Occupations (Five-and-Ten Cent Stores, Regulars).

Occupation.	NUMBER AND PER CENT. OF WORKERS EARNING—																					
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and Under $10.		$10 and Under $11.		$11 and Under $12.		$12 and Over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Saleswomen	3	.8	32	8.2	173	44.1	141	36.0	27	6.9	12	3.1	2	.5	1	.2	—	—	1	.2	—	—	392	100
Office employees	—	—	—	—	—	—	1	8.3	4	33.3	—	—	1	8.3	2	16.7	2	16.7	—	—	2	16.7	12	100
Miscellaneous	—	—	—	—	—	—	3	21.4	4	28.6	1	7.1	4	28.6	2	14.3	—	—	—	—	—	—	14	100
Total	3	.7	32	7.6	173	41.4	145	34.7	35	8.4	13	3.1	7	1.7	5	1.2	2	.5	1	.2	2	.5	418	100

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TABLE XVIII.

Weekly Rates: by Occupations (Five-and-Ten Cent Stores, Regulars).

Occupation.	NUMBER AND PER CENT. OF WORKERS WITH WEEKLY RATES OF—																					
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and Under $10.		$10 and Under $11.		$11 and Under $12.		$12 and Over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Saleswomen	—	—	—	—	16	4.1	251	64.0	92	23.5	22	5.6	7	1.8	3	.8	—	—	—	—	1	.2	392	100
Office employees	—	—	—	—	—	—	—	—	1	8.3	4	33.3	—	—	2	16.7	3	25.0	—	—	2	16.7	12	100
Miscellaneous	—	—	—	—	—	—	1	7.1	2	14.4	3	21.4	4	28.6	3	21.4	1	7.1	—	—	—	—	14	100
Total	—	—	—	—	16	3.8	252	60.3	95	22.7	29	7.0	11	2.6	8	1.9	4	1.0	—	—	3	.7	418	100

(Page 55.)

Massachusetts Minimum Wage Commission. Bulletin No. 8. September, 1915. Wages of Women in the Paper Box Factories in Massachusetts.

The total number of women in the box-making industry for whom wage records are available for analysis is 2,178. The following tables show the amount of their earnings by classified wage groups and in connection with other factors according to which they vary, such as occupation, establishment, hours of work and the age and experience of the worker.

Table 1, (*a*) and (*b*), shows the total number of these workers classified according to their earnings. The number who earned an average of less than $6 a week during the time when they were actually at work is 970, or 44.5 per cent. of the total. Three hundred and fifty of these employees, or 16.1 per cent., earned less than $4 a week, and three-fourths (75.7 per cent.) earned less than $8 a week. (Page 20.)

The weekly rates at which the workers were scheduled to be paid are shown in Table 2. (Page 21.)

TABLE 1 (*a*). PAPER BOX FACTORIES.

Average Weekly Earnings: by Occupations.

Occupations.	NUMBER AND PER CENT. OF WORKERS EARNING—																	
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Bench work	4	.6	43	6.4	87	13.0	115	17.2	120	18.0	87	13.0	70	10.5	142	21.3	668	100
Stripping	5	1.9	6	2.3	14	5.3	31	11.8	53	20.2	72	27.4	38	14.4	44	16.7	263	100
Helping	25	10.9	99	43.0	60	26.1	25	10.9	9	3.9	8	3.5	4	1.7	—	—	230	100
Closing and inspecting	12	8.7	27	19.7	23	16.8	16	11.7	18	13.1	16	11.7	6	4.4	19	13.9	137	100
Machine covering	1	.9	2	1.8	9	8.1	14	12.6	20	18.0	31	28.0	18	16.2	16	14.4	111	100
Labeling	—	—	5	4.8	10	9.5	10	9.5	14	13.4	25	23.8	23	21.9	18	17.1	105	100
Staying	1	1.2	1	1.2	3	3.7	8	9.9	20	24.7	14	17.3	17	21.0	17	21.0	81	100
Gluing off	1	1.2	10	12.5	37	46.3	25	31.3	3	3.7	4	5.0	—	—	—	—	80	100
Topping	3	4.4	5	7.3	3	4.4	9	13.0	17	24.6	11	15.9	9	13.0	12	17.4	69	100
Hand folding	12	19.0	17	27.0	15	23.8	8	12.7	7	11.1	4	6.4	—	—	—	—	63	100
Turning in	2	8.3	3	12.5	5	20.8	8	33.4	5	20.8	1	4.2	—	—	—	—	24	100
Lacing	—	—	3	23.1	—	—	1	7.7	2	15.4	4	30.7	3	23.1	—	—	13	100
Miscellaneous	33	9.9	30	9.0	42	12.6	42	12.6	58	17.3	56	16.7	24	7.2	49	14.7	334	100
Total	99	4.6	251	11.5	308	14.1	312	14.3	346	15.9	333	15.3	212	9.7	317	14.6	2,178	100

(Page 25.)

Table 2.

Weekly Rates: by Occupations.

Occupations.	Number and Per Cent. of Workers with Weekly Rates of—																	
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Bench work	—	—	—	—	6	5.9	34	33.7	10	9.9	14	13.9	7	6.9	30	29.7	101	100
Stripping	—	—	—	—	—	—	3	25.0	1	8.3	1	8.3	2	16.7	5	41.7	12	100
Helping	—	—	12	7.4	84	51.6	45	27.6	16	9.8	3	1.8	3	1.8	—	—	163	100
Closing and inspecting	—	—	—	—	6	16.2	1	2.7	1	2.7	6	16.2	8	21.6	15	40.6	37	100
Machine covering	—	—	—	—	2	28.6	1	14.3	1	14.3	2	28.6	1	14.3	—	—	7	100
Labeling	—	—	—	—	2	28.5	1	14.3	3	42.9	—	—	1	14.3	—	—	7	100
Staying	—	—	—	—	—	—	—	—	—	—	4	28.6	3	21.4	7	50.0	14	100
Gluing off	—	—	—	—	2	10.0	14	70.0	4	20.0	—	—	—	—	—	—	20	100
Topping	—	—	—	—	7	77.8	1	11.1	—	—	1	11.1	—	—	—	—	9	100
Hand folding	—	—	1	33.3	2	66.7	—	—	—	—	—	—	—	—	—	—	3	100
Turning in	—	—	—	—	—	—	1	20.0	4	80.0	—	—	—	—	—	—	5	100
Miscellaneous	—	—	4	4.5	7	8.0	20	22.7	11	12.5	17	19.3	15	17.1	14	15.9	88	100
Total	—	—	17	3.7	118	25.3	121	26.0	51	10.9	48	10.3	40	8.6	71	15.2	466	100

Note: Of the 2,178 persons whose records were studied, data concerning rates were not available for 1,712, a majority of whom were piece workers.

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Massachusetts Minimum Wage Commission. Bulletin No. 9. September, 1915. Wages of Women in Women's Clothing Factories in Massachusetts.

TABLE 1 (*a*).

Average Weekly Earnings: by Occupations.

Occupations.	Number and Per Cent. of Workers Earning—																	
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Machine operating	54	4.9	121	11.1	155	14.2	189	17.3	163	14.9	159	14.5	110	10.0	143	13.1	1,094	100
Dress and waist finishing	22	6.3	42	12.0	80	22.8	82	23.4	40	11.4	37	10.6	30	8.6	17	4.9	350	100
Coat finishing	—	—	4	3.5	11	9.6	20	17.5	16	14.0	22	19.4	15	13.2	26	22.8	114	100
Plain finishing	4	3.5	4	3.5	26	23.0	22	19.5	23	20.4	14	12.5	10	8.8	10	8.8	113	100
Pressing	4	6.9	5	8.6	7	12.1	18	31.0	10	17.3	7	12.1	5	8.6	2	3.4	58	100
Examining	3	7.9	6	15.8	4	10.5	5	13.2	8	21.0	3	7.9	4	10.5	5	13.2	38	100
Folding	—	—	1	4.3	4	17.4	8	34.8	4	17.4	6	26.1	—	—	—	—	23	100
Sample making	—	—	—	—	—	—	—	—	—	—	2	13.3	2	13.3	11	73.4	15	100
Draping	—	—	—	—	—	—	—	—	2	18.2	3	27.3	1	9.1	5	45.4	11	100
Miscellaneous	4	2.8	25	17.2	29	20.0	24	16.6	13	9.0	16	11.0	16	11.0	18	12.4	145	100
Total	91	4.6	208	10.6	316	16.1	368	18.8	279	14.2	269	13.7	193	9.9	237	12.1	1,961	100

(Page 23.)

Table 2.

Weekly Rates: by Occupations.

Occupations.	Number and Per Cent. of Workers with Weekly Rates of																	
	Under $3.		$3 and Under $4.		$4 and Under $5.		$5 and Under $6.		$6 and Under $7.		$7 and Under $8.		$8 and Under $9.		$9 and over.		Total.	
	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.	No.	%.
Machine operating	—	—	22	7.3	44	14.6	42	13.9	30	10.0	33	11.0	25	8.3	105	34.9	301	100
Dress and waist finishing	1	.4	3	1.1	16	5.7	65	23.3	75	26.9	42	15.0	34	12.2	43	15.4	279	100
Coat finishing	—	—	—	—	—	—	2	2.6	9	11.8	17	22.4	17	22.4	31	40.8	76	100
Plain finishing	—	—	—	—	4	4.4	6	6.6	19	20.9	16	17.6	14	15.4	32	35.1	91	100
Pressing	—	—	—	—	3	11.1	2	7.4	3	11.1	6	22.2	6	22.2	7	26.0	27	100
Examining	—	—	7	20.0	2	5.7	1	2.8	5	14.3	8	22.9	3	8.6	9	25.7	35	100
Folding	—	—	—	—	1	5.5	1	5.6	8	44.4	6	33.3	1	5.6	1	5.6	18	100
Sample making	—	—	—	—	—	—	—	—	—	—	—	—	1	9.1	10	90.9	11	100
Draping	—	—	—	—	—	—	—	—	—	—	—	—	1	20.0	4	80.0	5	100
Miscellaneous	—	—	5	5.1	12	12.1	18	18.2	10	10.1	12	12.1	11	11.1	31	31.3	99	100
Total	1	.1	37	3.9	82	8.7	137	14.5	159	16.9	140	14.9	113	12.0	273	29.0	942	100

Note: Of the 1,961 persons whose records were studied, data concerning rates were not available for 1,019, a majority of whom were piece workers.

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Difference Between Rates and Earnings.—United States

The weekly rates at which the workers were scheduled to be paid are shown in Table 2.* Piece workers, who make up an important group in this industry, are necessarily excluded from this table, as well as all time workers whose rates were not available, so that the table shows rates for only 942 of the 1,961 women whose actual earnings are shown in Table 1.* In common with the table of earnings, this table shows a wide difference between different occupations with regard to their rates of payment. Machine operating, dress and waist finishing, and examining show the lowest rates, judged by the percentage scheduled for less than $6, and sample making and draping the highest. Only 27.3 per cent. of the workers were on rates of less than $6 a week, as against 50.1 per cent. who actually received an average per week of less than that amount. A comparison between the other items in this table and those in Table 1 shows a very general failure among the workers studied in this industry to make full wages. This failure may be ascribed to various causes, among which are compulsory short time, particularly during the slack season in the industry, illness and the preference of the employee. Actual records do not exist, however, to show to what cause any particular worker's failure to make full wages may be ascribed. (Pages 17-18.)

In Table 3 the 1,961 workers studied are classified according to the total amount earned during the past year in the factory in which they were working at the time the study was made. Nearly one-half (47.7 per cent.) earned less than $100 in the course of the year, and only 174 (8.9 per cent.) out of the total number earned as much as $400 a year. These earnings are manifestly lower than those which the weekly earnings described in Table 1 would yield by the year. Their low level may be due in large part to unemployment proper, that is, inability to get work especially during the slack season, or it may be due to changing from factory to factory, leaving the factory to marry, or to illness or other miscellaneous reasons. (Page 18.)

*Pages 200-201.

Report of the Massachusetts Commission on Minimum Wage Boards. 1912. House Document No. 1697.

The Candy Worker.

The flat rate of wages gives only an approximate idea of the actual earnings of the candy worker. She gains over her rate by payment for overtime and bonus; she loses by fines and the irregularity of her employment. (Page 50.)

It is simple to generalize about the number of women who are working at the rate of $4, $5, and $6, etc., a week in any given factory, but the actual earnings for the year, or at least for a number of weeks, are essential to a real knowledge of the situation. (Page 50.)

The average annual earnings of the 469 women who worked through the year for the same firm was $277.16 or $5.33 for each of the fifty-two weeks, including the weeks when they were out of work because of a temporary shutdown, illness or absence for personal reasons. The average for weeks worked taken alone was $5.97. The average loss, then, that the worker bore each week, largely because of industrial reasons, as will be shown later, was 64 cents. Anyone on a salary of $60 a week may bear the loss of $6 with equanimity, but to the wage earner the loss of 10 per cent. of her income is a serious concern, and added to the uncertainty of employment, a drain on her resources of mind and body. (Pages 51-52.)

The question of irregularity of employment is a very vital one to the woman earning wages which barely maintain her even when she has steady work. There is no margin left over the necessities of life, against the out-of-work period whether it is due to lack of employment, sickness or the effort to find more satisfactory work. Not only do the idle periods seriously affect the worker's purse, but irregularity and uncertainty inevitably cause deterioration in her ability to make the most of herself and her slender pay. She cannot develop foresight. She cannot plan the wisest expenditures, while indubitably recurring idleness, with its attendant anxiety, tends to impair efficiency. More appealing to some minds, because

the relation of cause and effect is more clear, is the moral downfall of many women during this period of no work, no money, the discouragement of fruitless search for work, and a surfeit of time. (Pages 62-63.)

No study of wages is complete without a parallel study of the steadiness of employment and the expectation of time to be lost on account of sickness. Every industry that is not essentially seasonal should pay enough to its workers to maintain them through the slack season and through short periods of sickness. This investigation throws some light on these points, but a more intensive study is necessary to show exactly how much time is lost, and for what causes.

Holidays and Vacations.—In the year covered by our investigations there were seven legal holidays; next year there will be eight, including Columbus Day. These holidays are a dead loss to the worker; six days' wages are spread over seven days' expenses in ordinary weeks, but in holiday weeks five days' wages have to go over seven days. To the average worker earning $308.60 a year, $7.90 makes an appreciable difference. One firm pays for holidays when a worker has been with them for three years; one other was reported to pay for Christmas; one for Thanksgiving, and one for Christmas and the Fourth of July. These are the rare exceptions.

Since most workers feel the need of a vacation, a short one will be taken where it is in any way possible, even though none is paid for, as in the candy industry. (Page 63.)

Wages of Women in the Laundries.

The average annual earnings of the 539 women who were employed throughout the year in one laundry were $387.12, or an average of $7.44 for each of the fifty-two weeks. A certain amount of time was lost because there was no work to be done and because of sickness and personal reasons which include time for vacation or for recuperation. The average earnings for the 539 women for the weeks during which they worked were $7.62. Eighteen cents a week, then, was lost by absence during the weeks when they did not work at all. In the more poorly

paid candy industry the loss was 64 cents, which shows the far greater uncertainty of work in the latter trade. The average weekly earnings of the 1,042 women who were employed by the given laundry for only a part of the year were $5.90 or $1.28 a week less than the more permanent class of workers received. This is even a greater difference than the 95 cents in the candy industry. The cheap end of these two trades drift here and there, and the more they drift the less capable they are of doing better-paid work. (Page 158.)

Regularity of employment is as vital to the worker as a living wage. It presents another problem, but yet one inextricably bound up with the question of what wages are necessary to maintain the employees of any given industry. No workers can count on casual work or a supplementary job to fill in the time lost by industrial causes. No worker can count on less than the usual expectancy of sickness. A woman who is able to make her meager wages do because her living expenses are less through a co-operative family arrangement and her mother's services, must expect to take her turn in staying at home to care for a sick member of her family. (Page 162.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Relation of Irregular Employment to the Living Wage for Women. IRENE OSGOOD ANDREWS, *Assistant Secretary, American Association for Labor Legislation.*

This study of the actual incomes of working women brings out clearly the indisputable fact that "rate of pay" is but little indication of income. And this applies not alone to those younger "irregular" workers as yet unskilled and undisciplined who suffered from lack of work and low earnings, but it is found that for trained and experienced workers also, the actual income falls from 10 per cent. to 20 per cent. below the possible income based on "rate of pay". (Page 511.)

Comparisons between actual and possible earnings,

based on average weekly earnings and rate of pay, reinforce these facts. In the paper box industry in New York City, 94 per cent. of a selected group of 246 women working under conditions above the average earned less than their scheduled rate of pay. Out of this 94 per cent. 62.1 per cent. fell more than 10 per cent. below their possible earnings for the period worked, and 41 per cent. fell more than 15 per cent. below. In the confectionery industry in a similarly selected group of 1,063 workers, 89.7 per cent. earned less than their scheduled rate of pay. Out of this 89.7 per cent., 63.4 per cent. fell more than 10 per cent. below their possible earnings for the period worked, and 44.6 per cent. fell more than 15 per cent. below. The average loss in actual earnings compared with rates for both groups was approximately 15 per cent.

An investigation by the Connecticut Commission on the conditions of Wage-Earning Women and Minors* showed that for 942 females in the cotton industry the computed full time earnings were $9.17 while the average actual weekly earnings were only $8.05, a loss of 13.9 per cent.; in the silk industry for 1,175 females the corresponding figures were $7.40 and $6.26, a loss of 18.2 per cent.; in brass factories for 662 females, the figures were $7.87 and $6.89, a loss of 14.3 per cent.; in the hardware industry for 701 females the figures were $6.79 and $5.95, a loss of 14.1 per cent.; in the metal trades for 2,541 females the figures were $7.41 and $6.50, a loss of 13.9 per cent. These results are taken from 50 factories in 14 localities. (Page 512-13.)

For the year 1913 the Wisconsin State Federation of Labor reported that among organized women workers, where one would expect to find relatively good conditions, the possible annual earnings averaged $483, while actual earnings fell to $429, a loss of 11.2 per cent. For all union garment workers including many women, the average loss of 15.7 per cent. Losses among unorganized workers would unquestionably be higher. (Page 513.)

All facts agree that actual earnings fall far short

* Report of Feb. 4, 1913, pp. 67, 91, 153, 171, 200.

of possible earnings based upon "rate of pay". This investigation leads also to the conclusion that, at least for the workers here considered, the average girl or woman loses in wages an amount equal to no less than 15 per cent. of her possible earnings. The younger more irregular worker loses an even greater amount. (Page 525.)

Unless reasonable regularity of employment can be definitely assured, a living wage through the year can be secured only by setting up a wage rate sufficiently high to cover unemployed periods of time, or by establishing some form of unemployment insurance. (Page 526.)

The Paper Box Industry.

To examine further the relation between rates and actual earnings, and to determine whether or not earnings usually fell below the rate, a comparison was made of the weekly wage rate of 246 of the women paper box workers in New York City with their actual average weekly wages for the period worked. These figures represent conditions far above the average, since only the best factories keep their books so that reliable figures can be obtained. That this selected group represents to a much greater degree the more permanent class of workers is indicated by the fact that 32 per cent. were annual workers as against 15 per cent. of annual workers for the entire labor force. In addition, to avoid including some absences for personal reasons, when the average weekly earnings were computed, the weeks in which a woman was not working at all were omitted, although the number of such absences greatly increases in the dull seasons and the omission therefore undoubtedly excludes in many cases a part of the wage loss due to industrial conditions. For this particular study therefore the steadier workers in the better factories are under consideration and a certain amount of unemployment is being left out of account.

Comparison was made of the rate of pay and the average weekly earnings of 246 such adult women workers in the paper box industry. The average weekly earnings of 94 per cent. of these women were below their

stated rate of pay. Only 8, or 3½ per cent. had average weekly earnings equal to their rate of pay. The weekly earnings of just 6, or 2½ per cent. of the whole group, averaged higher than their rate of pay. For that great majority of the women whose earnings fell below their rate, tables were made to show first by wage groups and secondly by length of time in the same factory, what per cent. of the rate they lost. (See Table 2.) According to the table we find that 62.1 per cent., almost two-thirds, lost over 10 per cent. of their supposed wage during the time they worked, with 26 per cent. losing from 16 to 25 per cent. and 15 per cent. losing more than 25 per cent.—over a quarter—of their supposed income for the period they worked. It is evident that the lowest paid and most shifting workers are the ones suffering the heaviest losses.

Of those earning under $5, 77.7% lost over 10% of wages.

Of those earning $5-$5.99, 63% lost over 10% of wages.

Of those earning $6-$6.99, 50% lost over 10% of wages.

Of those earning $7-$7.99, 50% lost over 10% of wages.

Of those earning $8-$8.99, 35.8% lost over 10% of wages.

Of those earning $9 and over, 28.1% lost over 10% of wages. (Pages 536-37.)

The record of the wages of a few individual girls week by week shows, just as an extensive comparison of weekly rates with average weekly earnings shows, an actual income approximately 15 per cent. below the rate. The wage rate is only nominal, a term of little real meaning.

The Confectionery Industry.

Most of the women employees in candy factories are time workers. This does not mean, however, that such workers who keep their places during the slack season really make their nominal weekly rate during that time. To illustrate this point the Massachusetts Minimum

Wage Board selected a single wage sheet from one pay roll. It was a "typical sheet" selected at random and contained the names of forty-three time workers, at work for the factory an average of forty weeks during the year. That is, they were comparatively steady workers. On the average, they received their scheduled rate just a quarter of the time or ten weeks out of the forty. Their average exceeded the rate nine times and fell below it twenty-one times. Not one received her rate for half the time she worked, or earned more than her rate as often as she earned less. In every case the actual average earnings of these women if computed would have fallen below their rate. Both the report of the Massachusetts Minimum Wage Commission and the New York State Factory Investigating Commission compare rates and earnings for women in the confectionery industry in 1913, and both show earnings falling below the rates, though the New York report took a week in the "normal" or busier season and the Massachusetts report considered average weekly earnings for the year. In New York City in the selected week only 19 per cent. of the women were working at a rate of under $5, but 30 per cent. actually took home such amounts in their pay envelopes. In Massachusetts for the whole year 26 per cent. were rated under $5, but 49 per cent. actually earned such a sum. (Pages 556-57.)

A special study of rates and earnings was made which included every New York City candy factory which kept records of the weekly rate of wages and actual weekly earnings of their women workers. The rate-workers selected in this way were far above the average, and included only the best factories, the steadier workers, and in addition excluded a certain amount of unemployment. Yet in almost every case earnings were found to be below the scheduled rate.

This group consisted of 1,063 time workers, the earnings of 953 or 89.7 per cent. of this number fell below their rate of wages, while for only 18 were earnings and rates equal, and 92 received earnings higher than their rate of wages. Sixty-three and four-tenths per cent. of

the 953 women who suffered a loss in earnings, lost more than 10 per cent. of their rate; 18.8 per cent. lost from 11 per cent. to 15 per cent.; 25.3 per cent. lost from 16 per cent. to 25 per cent.; and 19.3 per cent., nearly a fifth, lost over a quarter of their supposed income. There are only slight differences in the severity of the losses suffered by the high and by the low paid workers.

Of those earning under $5, 72.1% lost over 10% of wages.

Of those earning $5-$5.99, 62.3% lost over 10% of wages.

Of those earning $6-$6.99, 59.5% lost over 10% of wages.

Of those earning $7-$7.99, 57.4% lost over 10% of wages.

Of those earning $8-$8.99, 57.4% lost over 10% of wages.

Of those earning $9 and over, 66.3% lost over 10% of wages.

But many of the women who stayed only a short time in the same factory lost more heavily than did the more permanent workers. (Pages 561-62.)

We find therefore these steadier workers in the better factories suffering at the most conservative estimate losses which average 15 per cent. from their nominal rate of pay. Undoubtedly the loss of other women in the trade would be much greater.* (Page 563.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. Mercantile Establishments.

. . . We obtained wage data for nearly 70,000 employees in 143 stores located in 19 cities and villages throughout the State. (Page 51.)

As already explained, the amounts received by store employees in their pay envelopes for one week were also entered, in order to compare actual earnings with rates quoted. It should be noted that the time chosen in New

*For similar statistics as to other trades, see op. cit., pages 570 ff.

York City—a week in December—is the period when the earnings of salespeople are highest because of the volume of trade served before Christmas. . . . Only 99 persons were quoted as receiving a weekly rate of less than $3; but 2,040 persons actually received sums less than this amount. Eighteen per cent. of all employees were quoted at rates under $6; but 23 per cent. got less for the week recorded. On the other hand, the proportions at $8 and over are practically the same. This point is worth noting, since it shows, that the low paid employees are the ones who suffer most from deductions. (Page 76.)

Examining the table of earnings more closely, we find that the highest percentages of persons receiving very small amounts are found among the unclassified help, who left the New York City stores after Christmas. Since their rates do not run so low as those for the female help retained, we may assume that some of these shifters did not work a full week.

But turning to the employees classified by occupation and sex, we note that among them also the numbers and per cents. of all receiving small amounts are greater than those entered for these rates. For instance, only 10 male and 75 female employees were reported as receiving rates under $3;* but 138 males and 558 females actually received less for the week recorded. Sixty-two per cent. of all women and girls for whom rates were given were supposed to receive less than $9 per week; but we find that the actual earnings of 67 per cent. of all females fell below this figure. . . . One hundred and thirty-eight adult men and 3,337 women 18 years of age and over were quoted at rates under $6; but 241 men and 4,388 women actually received less than this amount. (Page 81.)

*The apparent discrepancy between these figures and those given on p. above is due to the omission here of 14 persons "unclassified" as to whether male or female.

Difference Between Rates and Earnings.—United States

TABLES XI AND XIII (Condensed).

Weekly Rates.

Weekly Rates in Dollars	Total Numbers Female	Cumulative Per Cent. Female
All rates.	31,490	.....
Less than $3.00	75	0.24
$3.00-$3.49	527	1.9
3.50- 3.99	976	5.
4.00- 4.49	2,014	11.4
4.50- 4.99	1,151	15.
5.00- 5.49	2,601	23.3
5.50- 5.99	641	25.4
6.00- 6.49	4,379	39.3
6.50- 6.99	513	40.8
7.00- 7.49	4,173	54.1
7.50- 7.99	397	55.4
8.00- 8.99	3,724	67.2
9.00- 9.99	2,379	74.8
10.00-10.99	2,306	82.1
11.00-11.99	844	84.9
12.00-12.99	1,609	90.

Actual Weekly Earnings.

Weekly Earnings in Dollars	Total Numbers Female	Cumulative Per Cent. Female
All amounts.	31,517	.....
Under $3.00	558	1.8
$3.00-$3.49	726	4.
3.50- 3.99	1,063	7.5
4.00- 4.49	2,109	14.3
4.50- 4.99	1,168	17.8
5.00- 5.49	2,358	25.3
5.50- 5.99	1,089	28.8
6.00- 6.49	3,530	40.
6.50- 6.99	997	43.1
7.00- 7.49	3,337	53.7
7.50- 7.99	840	56.5
8.00- 8.99	3,492	67.5
9.00- 9.99	2,397	75.
10.00-10.99	2,130	81.8
11.00-11.99	993	85.
12.00-12.99	1,389	89.3

(Pages 67 & 80.)

Difference Between Rates and Earnings.—United States

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Shirt Industry.

TABLES XII AND XIII (Condensed).

Specified Rates.

Weekly Rates	Total Female	Cumulative Per Cent. Female
Less than $3.00	6	0.2
$3.00-$3.49	107	3.8
3.50- 3.99	130	8.3
4.00- 4.49	253	17.
4.50- 4.99	184	22.3
5.00- 5.49	304	33.8
5.50- 5.99	189	42.
6.00- 6.49	388	53.5
6.50- 6.99	149	58.8
7.00- 7.49	270	67.8
7.50- 7.99	131	72.1
8.00- 8.99	293	82.4
9.00- 9.99	256	92.
10.00-10.99	119	95.2
11.00-11.99	39	96.5
12.00-12.99	53	98.4

(Page 191.)

Weekly Earnings.

Weekly earnings	Total Female	Cumulative Per Cent. Female
Less than $3.00	537	5.9
$3.00-$3.49	360	9.9
3.50- 3.99	380	14.1
4.00- 4.49	523	19.9
4.50- 4.99	531	25.8
5.00- 5.49	705	33.6
5.50- 5.99	591	40.2
6.00- 6.49	725	48.2
6.50- 6.99	511	53.8
7.00- 7.49	644	61.
7.50- 7.99	485	66.3
8.00- 8.99	904	76.3
9.00- 9.99	652	83.6
10.00-10.99	510	89.2
11.00-11.99	283	92.3
12.00-12.99	254	95.1

(Page 195.)

Difference Between Rates and Earnings.—United States

At first glance this table appears very like the preceding one on weekly rates. A brief examination shows, however, that nearly three times as many persons are included, the earnings of piece workers being here entered. The numbers earning both high and low amounts are, therefore, much larger. (Page 192.)

In the case of women and girls, 8 per cent. were entered at rates under $4, but 14 per cent. of all received less for a week's work. On the other hand, according to the previous table, only 8 per cent. of the women might have been expected to earn $10 or over; whereas 16 per cent. actually received these higher wages. This is of course due to the fact that most skilled operatives are on a piece basis, and no time rates are quoted. (Page 193.)

In a trade where piece rates prevail, actual earnings furnish the only available standard for estimating the income of employees. According to the receipts for the weeks in question, more than half of the male employees in shirt factories throughout the State, get less than $11 for a week's work, and more than half the women and girls fall below $7. Nearly two-thirds of the female employees receive less than $8 and more than one-fourth less than $5. (Page 193.)

Judging from the returns of one representative plant, we should say that the earnings of a female operator during a busy season will average about 18 cents an hour. This makes it possible for a steady operator working full time, to make as much as $12 a week; but this amount is not regularly attained by sewing women. They work less than the maximum hours and earn ordinarily between $8 and $9 in the better factories. One reason for loss is the impossibility of always getting work. The amount to be done depends upon the orders that have come in, or the speed of operators who manipulate the goods before they come to those who do the latter sewing operations. (Page 198.)

The highest regular rate achieved by half the women between 30 and 35 years of age is $9, while the highest earning for the majority is $8.25. In general, the earn-

ings are lower than the rates, although the large number of skilled operatives for whom no rates are quoted, bring the general level up somewhat. But, as we have already seen, neither rates nor earnings touch $7, so far as the majority of all female employees are concerned. (Page 200.)

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Table VII shows the weekly rates quoted for 6,202 employees, classified according to the principal occupations in the trade. Summarizing the data briefly, we may say that from $10 to $16 are the most common rates for men. Five and six dollars are the figures most often quoted for all female employees. The majority of men and boys may hope to earn between $8 and $16; more than half the women and girls, between $5 and $9. Over half the male help is rated below $12, and the majority of females, under $6.50. (Page 239.)

. . . Table IX shows in detail the earnings of factory employees according to occupation and sex.

A comparison of these data with those presented in Table VII shows that rates quoted are as a rule above earnings received. For instance, less than 10 per cent. of all male employees for whom rates were quoted were supposed to receive less than $6 a week. As a matter of fact, during the week for which we took earnings, more than 13 per cent. of the men and boys for whom we have returns actually got less than this amount in their pay envelopes. In the case of girls and women, the rates of 16 per cent. were below $5, the weekly earnings of 22 per cent. were less. (Page 245.)

Difference Between Rates and Earnings.—United States

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TABLE VII (Condensed).

Specified Rates of Factory Workers.

Weekly rates	Total Female	Cumulative per cent of total Female
Less than $3.00	9	.23
$3.00-$3.49	58	1.68
3.50- 3.99	83	3.87
4.00- 4.49	198	8.82
4.50- 4.99	284	16.05
5.00- 5.49	540	29.7
5.50- 5.99	318	37.6
6.00- 6.49	612	53.
6.50- 6.99	166	57.1
7.00- 7.49	246	63.4
7.50- 7.99	148	67.1
8.00- 8.99	456	78.6
9.00- 9.99	388	88.3
10.00-10.99	296	95.6
11.00-11.99	72	97.4
12.00-12.99	65	99.1

(Page 241.)

TABLE IX (Condensed).

Actual Weekly Earnings.

Actual Weekly Earnings in Dollars	Total Female	Cumulative per cent. of total Female
Less than $3.00	231	3.12
$3.00-$3.49	219	6.1
3.50- 3.99	266	9.7
4.00- 4.49	428	14.15
4.50- 4.99	493	22.18
5.00- 5.49	716	31.85
5.50- 5.99	569	39.6
6.00- 6.49	662	48.6
6.50- 6.99	435	55.5
7.00- 7.49	508	61.3
7.50- 7.99	390	66.7
8.00- 8.99	824	77.8
9.00- 9.99	672	87.
10.00-10.99	449	93.
11.00-11.99	236	96.
12.00-12.99	172	98.5

(Page 247.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Confectionery Industry in New York State.

Factories Included.—For the following analysis 84 factories, employing nearly 9,800 persons, were taken in 11 cities and villages throughout the State. The establishments range in size from 6 to 857 employees, and include 7 chocolate mills, 5 chewing gum plants, 3 popcorn factories and 69 places where candy is made. This number comprises practically all the larger firms and represents the working conditions of over 76 per cent. of all persons reported in the trade.

Personnel.

Of all persons employed as workers in local confectionery factories, 65 per cent. are girls and women—a much larger proportion than in most industries. . . . (Page 304.)

To sum up the matter of rates; . . . More than two-thirds of the girls under eighteen are rated below $5.50; and more than half of the women shop hands above this age fail to achieve the $6.50 rate. So much may suffice to indicate the general levels of wages in the industry.

Actual Earnings.

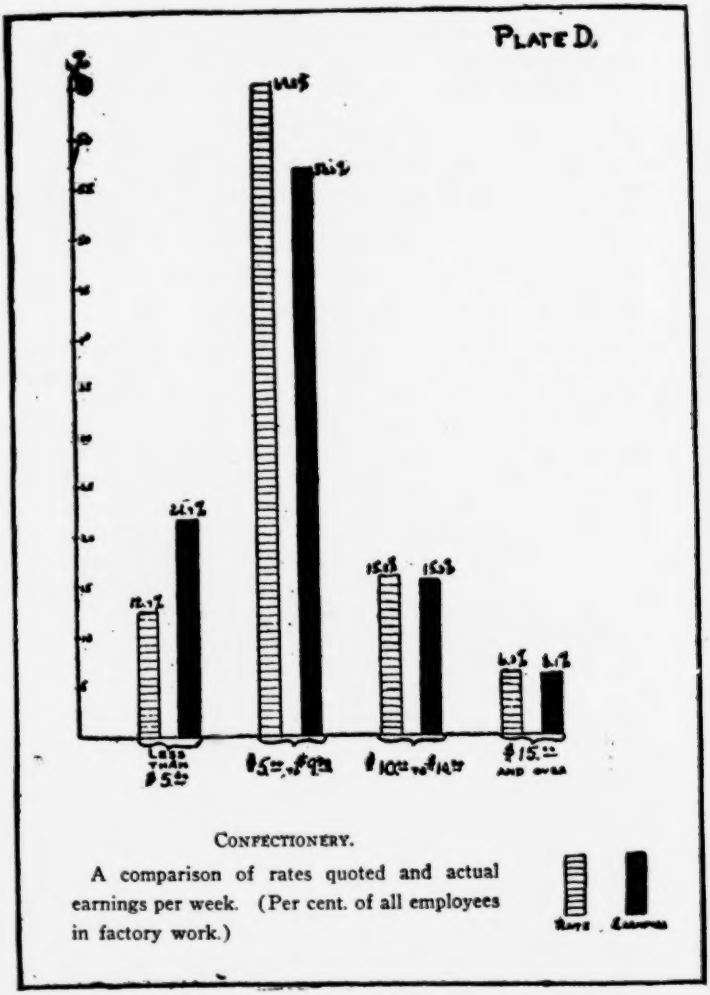
A more important matter is to find how much wage earners actually receive for their labor. To determine this, our investigators in New York City recorded the amount placed in the pay envelope of each employee for a week in October or late September, 1913. Up-state the figures were taken in May and June, 1914. In the former case the test was at a season when the candy industry was beginning to work full time and take on additional help in preparation for the Christmas rush. The time selected therefore was one showing the trade when business was active—not yet quite at its height, but well above the yearly average. Some new hands were undoubtedly being broken in, but the regulars were also beginning to make extra time or larger pay on increasing piece-work. In the case of factories up-state, business was rather slack. But since the numbers taken last winter greatly outweigh those recorded in the spring, the trade as a whole is shown in a favorable light. . . .

According to rates quoted, only 13 per cent. of the employees were rated under $5. But according to actual earnings, 22.5 per cent. of all whose receipts were noted fell below that amount. On the other hand, 63.5 per cent. might have been expected to receive more than $5 and less than $10. As a matter of fact, only 55.5 per cent. actually received sums between these amounts. For amounts over $10, the proportions based on earnings are also slightly lower than those based on rates. (See Plate D.)

Difference Between Rates and Earnings.—United States

The reasons for this falling in earnings are not far to seek. The better paid employees are salaried persons whose income does not vary greatly on account of slack work or short absences. On the other hand the low paid employees are docked for absences, or are not paid the full amount if their output falls below standard. In one place girls are not paid for any time less than one week. As the rates are low, many soon become discouraged and leave. Thus the firm gets some work for nothing. (Pages 315-316.)

Difference Between Rates and Earnings.—United States



CONFECTIONERY.

A comparison of rates quoted and actual earnings per week. (Per cent. of all employees in factory work.)

Difference Between Rates and Earnings.—United States

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. Covered and Celluloid Button Factories in New York City.

Table V shows a wide divergency in the wage rates. . . . Nearly half the females receive less than $7.50.

Table VI shows the actual earnings of the employees for the week preceding my schedules in each factory. Some of the smaller factories do not keep a pay roll. In some cases the proprietors were absent and I could not secure access to the pay roll and in such instances I had to rely upon the statements of the employees as to their weekly rates and actual earnings. Over half the males received less than $9 a week, and over half the female employees received less than $7.

Tables V and VI show a considerable difference between the specified rates and the amounts actually earned. It will be noted that the actual earnings fall below the rates quoted for employees as a whole. For example, whereas half the women were supposed to receive $7.50 or less, more than half actually received less than $7 for the week in which the investigation was made. (Page 348.)

Difference Between Rates and Earnings.—United States

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. Covered and Celluloid Button Factories in New York City.

TABLE V. (Condensed).

Specified Rates.

Weekly Rates	Total Female	Cumulative Per Cent. Female
Less than $3.00	.....	.....
$3.00-$3.49	1	.4
3.50- 3.99	1	.8
4.00- 4.49	4	2.3
4.50- 4.99	4	3.8
5.00- 5.49	19	11.0
5.50- 5.99	15	16.6
6.00- 6.49	28	27.2
6.50- 6.99	7	29.8
7.00- 7.49	49	48.3
7.50- 7.99	29	59.2
8.00- 8.99	48	77.3
9.00- 9.99	25	86.7
10.00-10.99	14	92.0
11.00-11.99	3	93.1
12.00-12.99	10	96.9

(Page 347.)

TABLE VI (Condensed).

Actual Earnings.

Weekly Earnings	Total Female	Cumulative Per Cent. Female
Less than $3.00	10	3.5
$3.00-$3.49	5	5.2
3.50- 3.99	7	7.7
4.00- 4.49	16	13.3
4.50- 4.99	14	18.2
5.00- 5.49	19	24.8
5.50- 5.99	36	37.5
6.00- 6.49	28	47.3
6.50- 6.99	15	52.5
7.00- 7.49	30	63.0
7.50- 7.99	15	68.2
8.00- 8.99	38	81.5
9.00- 9.99	20	88.5
10.00-10.99	11	92.3
11.00-11.99	4	93.7
12.00-12.99	10	97.2

(Page 351.)

Report of the Industrial Welfare Commission of the State of Washington on the Wages, Conditions of Work and Cost and Standards of Living of Women Wage-Earners in Washington. CAROLINE J. GLEASON. *Olympia, Washington, 1914.*

The number of hours a week a laundry worker may put in is the final gauge of the amount in the pay envelope. Table XX shows the number of weekly hours of work reported by 2,185 laundry workers classified by occupation. . . . 2.5 per cent. of the workers put in less than 4 days a week. Of those working less than four days a week the ironers as a single group are great-

est in numbers. . . . the office employees are the only ones who approximate a full week. Next to them are the markers and sorters, 80 per cent. of whom work between 45 and 48 hours. At present 14 cents is the lowest rate per hour paid in some laundries. On a 48-hour week at 14 cents an hour this should mean that no laundry employee receives less than $6.50 a week. Yet . . . we find 31 receiving less than $5.00 and 89 receiving less than $6.00; 224 are receiving between $6.00 and $7.00 a week, making a total of 444 who are receiving less than $1.00 a day. Hourly rates range as high as 25 cents an hour for skilled hand ironers, one-third of whom, however, work between four and one-half and five days a week and over one-half of whom work less than five and one-half days a week. . . . We find that out of over 2,300 workers, 72 per cent. or nearly three-fourths are receiving less than $10.00 a week. Thus it is that laundry workers complain with reason when they say that they never know what the pay envelope at the end of the week will bring and would not quarrel with the rate per hour so much if they could be certain of a regular income and be able to plan somewhat on the future. (Pages 32-33.)

The Living Wage of Women Workers. A Study of Incomes and Expenditures of 450 Women Workers in the City of Boston. Louise M. Bosworth, *Fellow, Women's Educational and Industrial Union. Longmans, Green & Co., New York, 1911.*

. . . The woman worker in planning her expenses must take into account the shrinkage of her income before it comes into her hand by reason of fines, trade expenses, docking for holidays and vacations, seasons of short time and no work. It is the girl on the low wage who has this loss to bear in greatest measure. The actual amount of money loss increases up to the income of $10 per week, and beyond that decreases with the increasing wage. While the girl on starvation wages, who earns $3, $4 or $5 per week, does not actually get more than 84.37 per cent. of this amount, the more prosperous

woman earning $15 and over, gets 94.84 per cent. of her supposed wages. . . . (Page 33.)

The high percentage of loss of income among factory girls is due in part to the long periods of short hours and lay-offs on account of slack trade. Among sales girls the 4.50 per cent. loss through illness is a large factor in the high rate. But the greatest source of loss for all classes is unemployment. The factory girls pay the highest penalty here, having an out-of-work loss of 7.14 per cent. followed closely by the waitresses, with 6.89 per cent. The latter probably increase their out-of-work time considerably by changing places between seasons, working summers at the beach and winters in the cities. Salesgirls have 6.66 per cent. loss from out-of-work; clerical workers, 5.75 per cent.; kitchen, 5.43 per cent.; professional, 3.85 per cent. (Pages 33-34.)

It appears that the heaviest loss for all occupations comes from no work, that salesgirls pay the highest amount for illness, professional workers for vacations, factory employees for holidays and laid-off times, waitresses for fines and trade expenses, and that in general the low-wage groups pay a higher proportion back to the firm than the high-wage groups. (Pages 34-35.)

British Sessional Papers. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Board and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. Ernest Aves.

In connection with this question of regularity, it may be noted that I heard little of the distinction between weekly rate and annual earnings. Of this reticence the great prosperity enjoyed, in a climate that tends greatly to diminish the normal seasonal fluctuations of England is perhaps the chief explanation. (Page 47.)

So with reference to this question of earnings as distinguished from rate, there is little evidence to show that where rates may have been going up annual earnings "of those retained" have not also increased. There

are, it is true, no figures to show what has really taken place, but though individuals may have suffered through an incompetence that, unless corrected, tends to become a more active source of competitive weakness the higher the rates become, there is a widespread agreement that general conditions have improved. This would not be so freely expressed if, to any very serious extent, the rise in the normal rate had been accompanied by greatly diminished annual earnings. Of holidays I heard a good deal, but of broken time through seasonal or other involuntary causes of variation very little. (Page 48.)

(b) SEASONAL FLUCTUATIONS.

One main cause of irregularity of employment, with consequent loss of wages, is the alteration of rush and slack seasons. Investigations in many industries show that before and after Christmas and other seasons of pressure the total number of employees varies from about ten to fifty per cent. The total amount of wages paid varies even more widely. In individual cases, the seasonal fluctuation of wages amounts to 75 per cent.

United States Public Health Service. Bulletin No. 76. March, 1916. Health Insurance: Its Relation to the Public Health. B. S. WARREN, *Surgeon, U. S. Public Health Service, and* EDGAR SYDENSTRICKER, *Public Health Statistician, U. S. Public Health Service.*

From the comments of municipal health agencies, the following is selected as one which exhibits clearly a realization of the connection, in a single community, between the public health situation and the economic factor of unemployment.*

There is evidence in many directions that the tremendous amount of unemployment at present (January, 1915) existing is steadily undermining the health of the people. This lack of employment with its consequent poverty and destitution, brings about lowered vitality in its victims, weakens their resisting power, and lessens their immunity to disease.

It should be remembered that in addition to the irregularity of work occasioned by the practices and methods of industry, there are annually recurring seasons of unemployment, as well as even more intense periods of unemployment in times of industrial depression. The factor of irregularity of employment is thus one which not only is present to some extent all of the

* Toronto Health Bulletin for January, 1915.

time, but which varies in its importance from season to season and from year to year. (Page 18.)

Principles of Labor Legislation. JOHN R. COMMONS and JOHN B. ANDREWS. *Harpers, New York, 1916.*

In fixing standards for minimum wages, the question of regularity of employment is of great importance. Whether or not a worker can secure steady employment in a given industry is the factor which determines whether the "living wage" prescribed in an award provides a "living income" throughout the year. Until recently the problem has received but little attention in America, many of the awards thus far made being sufficient only for the needs of the current week. As no provision is made for savings, a girl who receives the minimum wage must run into debt or deny herself necessaries if she loses her position. Yet many low-paid industries whose wage rates are affected by minimum wage awards are notably irregular, as for example candy-making and paper-box making. In Massachusetts, in Oregon, and in Washington, however, wage losses from unemployment have been given some attention by wage boards. In Australia the time lost from industrial causes is often definitely computed in fixing wages. For instance, in setting the minimum hourly rate for dock laborers, the necessary cost of a week's living was divided by the average number of hours of work obtained weekly. (Page 182.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Volume II. Appendix IV. The Relation of Irregular Employment to the Living Wage for Women. IRENE OSGOOD ANDREWS, *Assistant Secretary, American Association for Labor Legislation.*

Irregular work is of several varieties. Most obvious is that complete loss of work occurring when an employee is dropped entirely from the pay-roll of an establishment. Such unemployment means the stopping

of all income and the discouraging—often heartbreaking—task of searching for a new job. At other times the employees are only temporarily "laid off". One department may be closed for a short time, or perhaps the entire establishment shuts down for a few days or weeks. Such periods of irregular work often extending over several months, are usually accompanied by a great deal of "short time" work—that is, employees may be retained on the pay-roll but have work for only a few hours a day with two or three days a week entirely unemployed. Thus a worker who averages $7 or $8 a week may earn during these months only $4 or $3 even $2 a week. Not only does this wage loss occur with piece workers but it affects with almost equal force, time workers. It is this "short time" work which plays havoc with the annual income of the steady worker and which is seldom, if ever, balanced by the short period of overtime work and increased earnings. For example, Katia, a skilled garment operative, had no work at all for two months and a half during the year. But out of the remaining nine months and a half she had only three months of full-time work. During the other six and a half months she never worked more than five days a week and sometimes as little as two days.

Again, firms sometimes make a practice of retaining as many of their workers as possible during the dull season but reducing the rate of pay in place of "laying off" the employees. (Page 509.)

In brief, then, we demand that the factory girl be on hand the moment she is "wanted", but the time she wastes waiting to be "wanted" is usually not cared for in any way nor are any steps taken as a rule to reduce this waiting period to a minimum. This unjust and unsocial policy tells its story in the anaemic and undernourished girl, the tubercular girl, the criminal girl and at times in the girl "gone wrong". (Page 511.)

The Paper Box Industry.

. . . Here is the typical variation of so many of the industries where large numbers of women are found

—very busy in the fall, dull after Christmas, busy in the spring and very dull in the summer.

Wherever data could be obtained, from Massachusetts to California, from Maryland to Oregon, and in the great industrial states of New York, New Jersey, Pennsylvania, Illinois and Wisconsin, a like alternation of rush seasons in the spring and fall with slack in the winter and summer was found. For instance, in Philadelphia an investigation of five firms in 1913 disclosed the fact that after Christmas they made wholesale dismissals to the extent of 24.3 per cent. of their force. In New York City last year the Factory Investigating Commission found that the number of employees rose to 6,700 just before Christmas and fell to 6,100 directly after that time. (Page 529.)

Summary.

The irregularity in the paper box industry, with the slack seasons in the summer and winter and busy seasons in the fall and spring, may best be realized by a study of the earnings. In contrast to the comparatively small 10 per cent. variation in the number employed at different seasons, we find a 30 per cent. fluctuation in wages, whether measured by averages or totals. The fluctuation in individual cases rises to 75 per cent. and over. In addition, wage gains do not equal wage losses, and the net result of seasonal irregularity is a loss in wages to the employee. (Page 545.)

The Confectionery Industry.

So many aspects does this industry present that it is even more difficult than usual to measure its irregularity. First, we find that during the four autumn months a much larger force of workers is used than can find places for the rest of the year. After Christmas, a good many employees are dismissed. At the same time the entire factory may close for a week or so, and in July this is still more likely to happen. Or perhaps the factory runs four or five days a week instead of the regular six. Many factories do not close as a whole, but dif-

ferent departments may close for a few days at a time through the dull season, according to the work on hand. Then too, the regular weekly schedule of hours is likely to be shorter in the slack than in the rush season, and often the actual hours worked are even less than these scheduled hours. (Pages 547-48.)

Besides "days in operation yearly" the other common method of measuring seasonal irregularity is that of giving the "average number employed by months". We have these figures for the women workers in Massachusetts, 1912, New Jersey, 1912, and Wisconsin, 1909, and for all workers in New York City, and up-state, September, 1912—September, 1913. . . . In every case the year is the latest for which the figures are compiled. The percentage of difference between the largest and smallest number employed is nearly 45 per cent. in New Jersey, and about 25 per cent. in the three other states. This latter figure corresponds closely to the per cent. of difference in numbers employed in quite a different locality, Kansas City, where a maximum of 900 and minimum of 670 were found, a difference of just about 25 per cent. (Pages 549-52.)

The "average number employed by months" indicates, therefore, the extent to which workers cannot find a place in the industry for the entire year, but conceals differences between establishments and tells nothing as to the effect of seasonal irregularity on those workers who keep their places throughout the year. (Page 553.)

Busy and dull seasons alternate in candy factories in the same way that they do in paper box factories. The industry is busiest in the fall, active before Easter and slack after Christmas and in the summer. On account of these seasonal variations, at least 25 per cent. of the whole number of women employed can find places in the trade only during the four fall months. Part of the great flux of workers in the industry, therefore, is not the fault of the workers themselves. The steady workers also lose in time and consequently in wages during the dull season, both through shorter hours and through the occasional closing of a department or the whole factory for

a few days. These losses in wages can be brought out in several different ways. There is a 35 per cent. variation in wages week by week in New York in contrast to a 25 per cent. fluctuation in numbers. In individual cases the difference rises as high as 75 per cent. These fluctuations result in wage losses.* (Pages 568-69.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Report of Commission.

Irregularity of Employment and Lack of Standardization in Trades.

The trades that have been investigated are all seasonal, that is, for a certain period of time there is slack work or no work, which means that a great group of workers do not earn as much as the weekly rate quoted, and during some periods, varying from one to ten weeks, earn nothing at all. Twenty-five per cent. of the workers in the confectionery trade are discharged immediately after Christmas, and in the shirt industry there is a fluctuation of 33 per cent. Eighteen large department stores in New York City employed in their busy season before Christmas, about 56,000 people, and in their slack season, during the summer, about 35,000—a difference of about 21,000 people. The usual number employed is about 42,000. But this seasonal fluctuation by no means represents the extent of shifting from one establishment to another. In the confectionery and paper box industries three times as many people as the firms ordinarily employ at one time, entered and left the industries. Out of 3,983 workers employed in the millinery shops, only 17 per cent. appeared on the payroll of any one shop 40 weeks or longer in the year studied, while 52 per cent. worked but 8 weeks in the same shop.

The workers that are dismissed most quickly are the low paid workers who can least bear being out of work. Their wages are too low to admit of saving during the time of employment, and thus they are destitute of any

* For similar statistics as to other trades see op. cit., pages 570 ff.

means of self-support. For instance, Tina, an operator in a clothing manufacturing establishment received $7.00 to $8.00 a week when she was working full time and overtime. During slack season her earnings dropped to nothing, or to as little as $3.00 and $3.50 a week. Her total income for the year was $262.00. (Pages 38-39.)

It is believed that a Wage Board in each industry should not only consider the question of a weekly or hourly wage, and standardize minimum wage rates, but should take up the study of seasonal unemployment. This difficult problem has been met by Justice Higgins, of the Australian Commonwealth Arbitration Court, in establishing a minimum wage for the deck and wharf laborers. He found that men worked but thirty hours a week, considering both slack and busy season, and the minimum wage was based upon the cost of living for those workers. The award was provisional until such time as the employers had set their house in order, and devised means whereby steadier work would be provided. This emphasizes one point, namely, the obligation on the part of the industry to pay for time as well as service rendered. For instance, if girls are kept in a factory all day long, whether they work or not, the industry holding them there should pay for their time, which they may not use in any way for themselves. (Pages 49-50.)

Ibid. 1915. Vol. II. Appendix IV. Mercantile Establishments.

The accompanying chart shows the fluctuation of employment and wages in 38 representative stores, in eight different localities, outside of New York City, employing from 18 to 1,240 persons each. . . . The largest number of persons employed in any one week was 11,726, and the smallest number 8,266. The average number of persons employed during the year was 9,400. Similarly, the largest amount paid in wages during one week was $107,409, and the smallest amount $77,966. The average wage payments per week amounted to $89,134. For the calendar year, the average weekly wage of employees was $9.48. . . . We find that at its lowest point, the

number of employees is 11.08% below the average, and that of wage payments 12.5%. At their highest points, employment and wages are 24.7% and 20.5% above their respective averages.

Comparing the highest and lowest points, we find that the smallest number of persons during the year is 69.6% of the highest number; and the smallest wage payment for one week is 72.6% of the highest amount paid out. In other words, while there were employed, at the height of the holiday season, 44% more persons than at the slackest time, the highest amount paid out in wages shows an increase of 38% over the lowest amount. (Page 90.)

In New York City, 18 of the largest department stores were asked to register the greatest, smallest and most usual number of employees on their payrolls during the year 1913. The normal forces of these stores amounted to 41,828 persons; the maximum before Christmas totaled 55,587; and the lowest ebb in midsummer fell to 35,322 for all establishments. In other words, the fluctuation in the total number of employees was from 33% above normal to 15½% below—a difference of over 20,000 persons, or practically 50% of the regular force.

The stores vary greatly in regard to this rise and fall in numbers. One establishment on the list did not change 18% throughout the year. Another increased its force over 50% before Christmas; and a third cut down its personnel nearly 30% below the usual quota during the slack season. Some stores vary as much as 66% between seasons. (Page 92.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Shirt Industry in New York State.

. . . The data [was] obtained for 33 firms located in New York City and 24 firms up-state. . . . In New York City during practically half the time (28 weeks) earnings are above the average for the year, though only moderately, with no sharp fluctuations. The average number of employees, compared with the annual average,

is increased by 8% at the period of greatest employment, and decreased 8.5% at the time of minimum employment. Earnings, likewise, show an increase of 9%, and a decrease of 11%. (Pages 211-212.)

The very different character of the up-state section of the industry is clearly shown. . . . The earnings are above the annual average during a period of 33 weeks, and for most of this time the increase is very marked. Compared with the average for the year, the number of employees at the height of employment is increased by 6%; and at the lowest point is decreased by 27.3%. The corresponding figures for the variations in earnings are an increase of 12% and decrease of 32.6%. It should be noted, however, that the large decreases are for short periods only. The greatest decrease occurs during July and August, when some factories close almost altogether for a period of about two weeks. The minor sharp but brief decreases are accounted for, as usual, by the occurrence of holidays. (Pages 212-13.)

These seasonal or occasional fluctuations in business not only cause variations in the total payroll, but also affect the earnings of individuals retained. One method of avoiding a complete shut-down is to work short hours every day or only on certain days of the week. This, of course, reduces the pay of both time and piece workers. The latter are frequently given a small number of sections sufficient to keep them going part of a day. In this way, receipts fall below the usual level. On the other hand, in a busy season or in view of a rush order, all hands may be speeded up and some work overtime, as we have seen.

For 197 female employees interviewed in New York City factories, $6.67 was found to be the average wage under normal conditions of the trade. In rush seasons this rises to $7.39, and falls to $5.13 in dull periods, that is a variation from 10% above normal to 22% below. An oscillation amounting to nearly one-third of the ordinary income must cause grave uncertainty among persons who expect to live on less than $7 a week.

Up-state our agents questioned 85 women and girls

upon this matter. In this number they found fourteen who reported no marked variation in wages from season to season. Of these, 3 were receiving less than $5 a week at the time of the investigation, and the other 11 from $6 to $12. The median wage for the remaining 71, according to our records, was $6.87. According to their own statements, their median wage at other seasons fell to $6.03. In individual cases the fluctuations are very wide. In one instance from $3 last spring to $10 in other seasons. In another case it was from $12 down to $5. But the net result of these variations was to reduce the mean weekly earnings 12% below the level reported when the investigation was under way. (Pages 213-214.)

Ibid. Vol. II. Appendix IV. The Paper Box Industry.

Beginning in the middle of November, 1912, the number of employees in the 147 factories scheduled was over 10,100. It fell to 9,500 after Christmas, but rose again to over 10,000 in March, 1913. From that time there was a steady decline until July, when the lowest number, 9,400, was reached. For the remainder of the year, the curve shows a continuous rise until October, the period of maximum employment, with almost 10,400 persons on the payrolls. Twice, therefore, in the course of the year, there was a distinct displacement of 10 per cent. of employees, most of whom, as is generally the case, were the lower paid factory workers. (Page 252.)

Now these oscillations involving from $10,000 to $15,000 within a brief time, must seriously affect the weekly incomes of about 6,300 persons. The piece-workers especially are well paid in a busy season, but fall far below their average at a slack time. For example, the average wage of all employees for the 3rd week was $8.66; for the 10th, it was $7.08, a difference of $1.58. In the 23rd week the average rose again to $8.76; fell off $1.35 in the next three months; and then rose again to $8.89. Obviously, for a worker with an average wage of $8.30, a 10 or 15 per cent. reduction is no slight matter. It must make a standard of living either pretty simple

or very elastic. For 194 women operatives questioned as to seasonal wages, $7.36 was found to be the average ordinary week's pay; but in rush season it was $8.13 and in dull periods $5.68. That is a variation from 10 per cent. above the usual earnings to 23 per cent. below. (Pages 252-253.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Confectionery Industry in New York State.

Seasonal Fluctuations.

The yearly rise and fall of the confectionery trade in the State is shown graphically on the accompanying chart (Plate D). We note that, for the 45 firms in New York City and 16 firms up-state in operation throughout the year considered, the maximum number of employees, in November, 1912, was over 9,700. The minimum number employed, in the first part of July, 1913, was about 7,100. The annual displacement of workers amounted, therefore, to 27 per cent. of the full quota.

As for wage payments . . . the difference week by week was much greater than the variation in number of employees, and this is particularly true of the extreme fluctuations. The maximum amount paid as wages in any one week was $79,000, during December, 1912. The lowest weekly total (disregarding the Christmas—New Year holiday period) was $52,600, during the first week of July, 1913. The drop from the highest to the lowest payment was 34 per cent. while the two extremes were respectively 25 per cent. above and 18 per cent. below the average for the year. (Pages 321-322.)

The fluctuation of the confectionery trade at once suggests the query as to steadiness of employment. Many persons work during the busy season only, and comparatively few remain the entire year. The data on which the following table is based, show that of 3,138 workers appearing on the payrolls of 10 establishments in New York City within a year, only 629, or 20 per cent.,

had been in the employ of the firms for more than 10 months. Only 530 (16.9 per cent.) had been steadily employed from 49 to 52 weeks. Sixty per cent. were engaged 3 months only, and more than 40 per cent. less than 5 weeks.

A similar analysis for factory workers only, shows them to be slightly more temporary than the foregoing data indicate. Girls are more numerous and less permanent in tenure than men. Voluntary vacations play a very small part in the year's employment, since most factories don't give them to ordinary shop hands.

The factories from which these records were taken ordinarily employ from 719 to 1,390 people according to season. The average forces amount to about 953. The extent and rapidity of the shifting is therefore at once apparent. (Page 324.)

Ibid. Vol. IV. Appendix IV. Wages in the Millinery Trade.

. . . Transcriptions of the payroll for the entire calendar year were made in 40 shops, including one in which the current payroll was not copied. In the other 17 shops investigated, the statistics for the whole year were not available. In the 40 shops studied for the year the maximum force in the busy season was 2,016, but the total number of names appearing on the payrolls at any time in the twelve months was 3,983. (Page 371.)

. . . We may safely conclude that only in a markedly irregular trade would it be true that only 672 or 17 per cent. of the 3,983 workers employed in these shops in the course of a year appeared on the payroll of any one shop forty weeks or longer in those twelve months, while 52 per cent. were recorded eight weeks or less, and 780 or 20 per cent. one week or less. (Page 402.)

Although the seasons in wholesale and retail are not identical but rather supplement each other more or less, it is not possible for any large number of milliners to have 52 weeks of work even by passing from one branch of the trade to another. Table 23 shows that the periods of maximum employment for the majority of the shops

tend to concentrate in the same quarters of the year, regardless of the branch of the trade to which they belong.

Seventeen firms employed their maximum force in January, February, or March. Of course they had another busy season in the autumn, but for these firms the spring was the time of greatest activity in 1913. In eighteen firms business reached its height in July, August, or September. Only two retail firms employed their maximum force in the second quarter (April, May or June) and three, also having a retail trade, in the fourth quarter (October, November or December).

These facts indicate that at certain seasons of the year it would be impossible for wholesale workers to find positions in retail shops, or *vice versa*. Table 21 gives further evidence on this point by showing the total number employed, week by week, in all the shops investigated in all three branches of the trade. The maximum force was employed in the eighth week of the year. In the twenty-seventh week the number employed was but 42 per cent. of the maximum, so that presumably at that time 58 in every hundred milliners were out of work because no work was to be had in any branch of their trade. For the last eight weeks of the year the proportion employed never exceeded 57 per cent. of the maximum reached in the spring, leaving at least 43 in every hundred apparently without any place in the workrooms. (Pages 414-415.)

To determine the length of the season we have figured the number of weeks in which the force did not fall more than 10 per cent. below the maximum, and also the number in which the decline was not more than 25 per cent. below the maximum. Table 24 shows the facts.

The fact that in the retail shops there were only 25 weeks in the year when the force was not at least 25 per cent. below the maximum, 31 weeks in retail-wholesale, and 21 in wholesale, is an appalling revelation of what the seasons mean in the millinery trade. Even so liberal a measure as we have applied, namely the employment of a force not more than 25 per cent. below the maxi-

mum, results in classifying the industry as one in which the two busy seasons combined last but half the year. Nor are the fluctuations in jobs limited to any one group of workers in the trade.

TABLE 24.

Weeks of Employment of Maximum Force of Women in Millinery Establishments, by Main Branches of the Trade, 1913.

Branch of the trade.	Weeks in which number of women employed in each branch of the trade did not fall.	
	10 per cent. below maximum force employed in any one week.	25 per cent. below maximum force employed in any one week.
Retail	18	25
Retail-Wholesale	19	31
Wholesale	6	21
Total	11	25

. . . Much drifting may be due to the workers' own restless desire to change. It is obvious, however, that the trade itself now demands many more workers at one season that at another, so that for much of the shifting the industry can be held responsible. So ruthless a method of engaging and discharging workers would seem to indicate an abundant labor supply. (Pages 415-416.)

Summary.

All these facts relate, however, to the earnings in one week, without any allowance for the effect of short seasons on the worker's income. In the millinery trade it is the brief and uncertain tenure of employment in the course of the year which makes self-support difficult even for those whose rate of pay per week is not inadequate. We call all those weeks "busy" in which the force did not fall more than 25 per cent. below the maxi-

mum, and yet even so liberal a measure made it possible to count but 25 busy weeks in retail shops, 31 in retail-wholesale, and 21 in wholesale, and these brief periods were divided into two seasons. In the dull months few workers were retained. In the wholesale shops the minimum force was but 37 per cent. of the maximum, in retail 25 per cent., and in retail-wholesale 32 per cent. In other words, from 60 to 75 of every hundred workers employed in busy season were superfluous in dull season. Forced to find other work twice in the year, milliners tend to change positions frequently in their own trade. Of 1,278 who reported the length of their employment, 421, or a third, had been in their present positions less than one year, yet only 85 had had less than a year's experience as milliners. Only 270, or 21 per cent., had worked five years or longer in one shop. All these figures are added evidence as to the irregularity of employment and, therefore, the irregularity of income for milliners in New York.

In an effort to insure a living wage for the workers, no problem is more important or more baffling than the one illustrated so vividly in the millinery industry, so to steady the seasons and lengthen the period of employment as to make the yearly income certain and adequate. (Pages 431-432.)

Massachusetts Minimum Wage Commission, Bulletin No. 3. August, 1914. Statement and Decree Concerning the Wages of Women in the Brush Industry in Massachusetts.

It is frequently said by employers in this and other industries that rates are adequate to produce more than a mere living wage, with a suggestion that the meager earnings of the many are due to the choice of the workers themselves. But when one considers how desperately many of these young women need money, the fact that so overwhelming a majority do not earn what by any reasonable computation could be called a living wage makes the explanation seem unconvincing. In a few cases the fallacy is obvious. A piece rate is fixed which

permits a few exceptional workers to make fairly high earnings by the exercise of a degree of skill and application which an ordinary girl cannot approach. Looked at from the point of view of the workers, the remedy in these cases is also obvious. In a much larger number of cases the difficulty is found in the fact that the worker does not or cannot work the full time. Where the cause of this condition rests with the voluntary action of the girl, not superinduced by some physical or mental condition fairly chargeable to the employment, it may perhaps be disregarded in an inquiry of this character. Where, however, the part time is chargeable to the industry, either for reasons like those suggested or because under the organization of the industry work cannot be supplied to the worker sufficient to keep her employed full time, it is a factor that cannct be overlooked by a body charged with the duty of fixing minimum rates adequate for the purposes named in the statute. The question of short time seems to the commission, perhaps, the greatest single difficulty in connection with the wage situation in this and other Massachusetts industries. (Page 7.)

In this connection the commission is of opinion that employers should give their best thought to the problem of eliminating the great irregularity of employment and reducing the striking amount of part time which marks the industry. The business is not one necessarily seasonal in character. Nor does it seem to present any difficulty in this respect that enlightened business thought should not solve. In the judgment of the commission great advantage would result to the industry as a whole, and to the workers engaged in it, if such readjustment could be brought about that those whom the industry does employ should be given regular and full-time employment; and when such employment has been provided at rates which in full time are adequate, employers should insist that those who remain in the industry take full advantage of its opportunities. (Page 13.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage-Earners in Oregon, With Special Reference to Portland. CAROLINE J. GLEASON. *Portland, Oregon, 1913.*

Periodic rush seasons come in the Christmas holidays and in the before-Easter and spring season. After Christmas a large percentage of the force in the large stores is laid off. As a general rule, the clerks expect dismissal to be on the basis of length of service, but they claim that they can never be certain of their positions even though employed for two years. One concrete instance was that of a girl in service for a year. A friend of the head of a department was put on for the Christmas rush; at the end of the holidays the new girl was given a permanent position, the old one laid off, the reason assigned being that she would not be needed in the dull season. Her mother was ill and dependent on her, and the girl was in hard straits for work. A friend, hearing of this, interceded and after a month's unemployment, she was taken back. (Page 29.)

The rush season for bag and paper box, candy and fur factories comes just before Christmas. Paper box and candy establishments are busy again from February to Easter, when the clothing season begins to "swing in full". Canneries maintain only a six months' season —from June until December.

The problem of unemployment which is suggested by the mention of "rush" and "dull" seasons is a serious one to the workers. Practically three-fourths of the wage-earning women of the State have to reckon on a period of unemployment which must be prepared for "somehow or other". (Page 34.)

In such trades as the clothing, shoe, candy and can making industries, which run all year, the applicant is always hoping for an opportunity to "make good" to the extent that she will be kept on when the dull season arrives. To her unemployment means a serious evil. Her wages during employment do not keep her well

housed and clothed. How can she save for the day when she will be out of work? Figures of the number employed in the two seasons in a few of the trades show the extent of the problem. Clothing factories hiring 300 and 150 dismiss 200 and 100 respectively in the dull season. Three other factories of different work employing 150, 80 and 20 respectively in the busy season dismiss 115, 60 and 15 in the dull season. Unemployment in other trades will be noted when they are described. (Pages 34-35.)

Like the factories and department stores, the laundries lay off a large percentage of their help during the dull season. The experienced ironers may find it possible to do family washing by the day, but for the more unskilled workers the problem of being out of work in the winter time is a serious one. (Page 36.)

Women and the Trades. Elizabeth Beardsley Butler. *The Pittsburgh Survey. Russell Sage Foundation Publication, New York, 1909.*

The obverse side of the fall rush is the summer depression. In January and February there is a slack season in the hard-candy trade, but in most of the factories the dull time comes during the warm months, beginning sometimes in May and lasting well through August. (Page 55.)

This long slack season brings up questions of wages. Is a candy maker's skill so slight that the girl will fit readily into some other equally unskilled occupation when the dull season comes? And does the dull season come at a time when other trades are busy? Or, if the opportunity for subsidiary occupation is small, are the wages received during the year sufficient to carry a wrapper or dipper through a possible two months of unemployment?

We need not touch on the girls in the packing departments, because very evidently they are a less dexterous and less characteristic element in the trade. But the dippers have a specialized dexterity which does not fit them to enter other occupations, such as canneries, on an

equal level. Furthermore, their dull season comes at a time when most other trades are also dull. Some few find employment selling candy in the parks or at places of amusement near the city; the majority have to count most of the summer as lost time.

This relation of wages to the slack season becomes acute in view of the proportion of girls in the trade who are obliged to be self-supporting. In the smaller factories the girls come from homes in the neighborhood, but a majority of the girls in the larger plants come from towns nearby to learn the trade, and are paying board in the city. For instance, one forewoman who directs about 100 chocolate dippers states that most of them are from homes outside of Pittsburgh, and that at least a third board with strangers. Yet less than one-fourth of the dippers (one-thirteenth of all the women in the trade) are earning wages that give them even a slight margin over living expenses. Even if we were to suppose that this slight margin is sufficient to carry a girl who is laid off through her season of unemployment, we could scarcely take it for granted that it is the more fortunate or able girl who is laid off. On the contrary, when forces are reduced, it is the girls with less ability, less accuracy, and a smaller output per day who go. It is the $7.00 girls, and the girls whose earnings are below $7.00. In part, of course, the girls return to their homes, and their families bear the loss due to seasonal unemployment. But in part the cost, in under-nutrition, in unsocial employment, is borne, as ultimately every individual human loss is borne, by the community of which the chocolate dippers are a part. (Pages 55-56.)

United States Congress. Senate Document No. 645. Report on Condition of Woman and Child Wage Earners in the United States. Vol. II. Men's Ready-Made Clothing. 61st Congress, 2nd Session, 1911.

The investigation of the Bureau of Labor into the employment of women and children in the men's clothing industry was carried on in the five cities of New York,

Chicago, Baltimore, Philadelphia and Rochester. In these cities 244 factories were investigated with a total labor force of 23,683 wage earners. Of these establishments 88 were in New York, 70 in Chicago, 22 in Baltimore, 39 in Philadelphia, and 25 in Rochester. (Page 13.)

In order to determine how far the earnings of the employees as shown by the payrolls of a single week were representative of earnings throughout the period of employment during a year, and in order to secure accurate information of the extent of employment and the earnings for a full year, a study was made of the payrolls for an entire year in a considerable number of establishments in Chicago, Rochester, Philadelphia and Baltimore. The enormous amount of work involved in the examination of the payrolls for an entire year made it impossible to carry out this part of the work for the full number of establishments included in the investigation.

An examination of the payrolls for a year disclosed the fact that a comparatively small per cent. of the total number of employees continued to appear throughout the payrolls for the year. In no city were more than 35 per cent. of the total number at work in the course of the year found on 50 or more weekly payrolls. In Baltimore the proportion was less than 10 per cent. (Pages 165-166.)

In Chicago work during 1907 was found to be fairly even throughout the year. The maximum number of employees, found in January, is only 103.6 per cent. of the average. The minimum number, found in April, is 95.3 per cent. of the average. The smallest numbers employed were in April, May and June, and again in November. The largest payroll, in March, is 116.3 per cent. of the average, the lowest in September, 85.9 per cent. The highest earnings of employees in March are 112.5 per cent. of the average; the lowest, in September, 85 per cent. The rush season seems to be January to April and June to August. September, October, and November are below the average.

In Rochester the variations are even slighter than in

Chicago. The highest number employed, in May, was 109.9 per cent. of the average; the lowest, in March, was 93.8 per cent. The largest payroll, in June, was 112.2 per cent. of the average; the smallest, in March, 92.3 per cent. The highest earnings per employee, in June, are 104.2 per cent. of the average; the lowest, in March, 98.4 per cent. (Page 175.)

In Philadelphia the highest number of employees was found in June—108.4 per cent. of the average; the lowest number in December—79.1 per cent. The highest payroll was 125.2 per cent. of the average, in January; the lowest payroll 47.2 per cent., in September. The highest weekly earnings per employee were 117.6 per cent., in January; the lowest 54.3 per cent., in September. January to June were busy months; July to December were considerably below the average except for the month of August.

In Baltimore the seasonal variations are marked. The highest number of employees was found in March, 126.6 per cent. of the average; the lowest in September, 72.1 per cent. The largest payroll was in February, 131.3 per cent. of the average; the lowest in September, 55.6 per cent. The highest earnings per employee were in February, 118.6 per cent. of the average; the lowest in April, 63.4 per cent. The busy season was in May and June, and again in November to March. August, September, and October were dull. (Page 175.)

Report of the Massachusetts Commission on Minimum Wage Boards, January, 1912. House Document No. 1697.

In 1908 the 83 factories reported that they were in operation on a weighted average 271.93 days out of the 305 working days, or 89 per cent. of the year. A factory is in operation even though only a small part of its force is employed.

There is little uniformity among the factories in the length of time which they are closed during the year. (Page 63.)

The following table shows the irregularity of em-

ployment as reported by 12 large factories. The month during which the maximum of workers were employed in each factory is counted for that factory as 100 per cent. The percentages for the other months are based on the maximum. Some establishments seem much better able to cope with the seasonal element. This point would not be brought out in any general average for the trade. Moreover, a general average would even down the irregularities, because the height of the season and the slack period do not come in the same month for the different factories.

Per Cent. of Women Employed, by Months, in the Several Candy Factories Which Reported Over 95 Employees.

Factory Number.	January.	February.	March.	April.	May.	June.
1	36.3	37.8	41.4	36.0	33.3	32.7
2	72.5	72.5	72.5	72.5	72.5	70.0
3	73.1	73.1	71.3	71.3	68.9	85.1
4	55.7	57.3	63.6	63.8	65.8	66.7
5	55.2	67.6	66.9	63.4	59.3	65.6
6	56.8	60.6	69.7	54.6	57.6	57.6
7	66.6	60.1	65.2	81.2	78.3	82.6
8	81.1	85.0	82.3	76.0	81.1	82.0
9	75.8	72.8	73.8	80.8	100.0	91.0
10	57.7	57.7	65.4	47.1	57.7	55.8
11	82.4	91.0	83.6	73.9	77.9	96.6
12	52.0	70.7	69.7	69.8	71.4	78.2

Per Cent. of Women Employed, by Months, in the Several Candy Factories Which Reported Over 95 Employees.*

Factory Number.	July.	August.	Sept.	Oct.	Nov.	Dec.
1	22.7	36.6	78.6	100.0	81.0	51.4
2	70.0	70.0	100.0	100.0	100.0	100.0
3	97.1	83.9	100.0	95.9	67.7	75.5
4	67.8	76.6	83.2	99.5	100.0	89.7
5	58.6	82.1	95.3	94.5	100.0	90.4
6	57.6	57.6	79.6	86.4	100.0	100.0
7	68.8	77.6	100.0	92.1	95.0	92.1
8	100.0	92.5	92.2	80.3	83.0	90.5
9	92.9	89.9	95.0	98.0	98.0	98.0
10	43.3	48.1	89.4	100.0	90.4	69.2
11	84.1	87.5	100.0	93.8	90.4	97.8
12	81.6	87.8	97.3	100.0	95.3	81.1

Artificial Flower Makers. Mary Van Kleeck. *Russell Sage Foundation Publication, New York, 1913.*

That flower makers face the problem of the seasons is shown first of all by the fluctuations in the numbers employed during the course of a year. Of 114 firms investigated, 101 reported the comparative numbers employed in their workrooms in busy and dull months. The maximum force of women in these shops was 4,470. In slack season only 873 of these 4,470 workers were still to be found in the workrooms, and of that number 385 were not flower makers only but worked on feathers also, according to the orders received. It was found that 46 firms employed no flower makers in their slack seasons, 15 employed less than five, and 13 employed between five and ten. (Page 40.)

It will thus be seen that in more than half the shops

*The highest monthly average is taken as 100, and the percentages for the other months are based on that. (Pages 66-67.)

the workers must expect a dull period of three or four months every year. During that time, as is shown by the figures indicating fluctuations in numbers employed, about one girl in every group of five will have work. The remaining four must look for other employment or else be idle. (Page 43.)

Part time is another phase of the problem. Firms may report that they keep their employees "all year round," and yet the workers may suffer the disadvantages of irregularity by a reduction in pay in dull weeks. For instance, a rose maker who earned $9 a week in the busy season was employed through the dull summer months, but she worked only three days a week with half pay, except for an occasional week when more orders were received. Even then she was paid $2 less than in the winter for a full week's work, a premium to the firm for not "laying her off". (Pages 43-44.)

At any rate it is true that not only is the year divided into dull and busy seasons, but within the busy season employment fluctuates in a way which cannot be foreseen. As an example of variations from season to season, one employer in a small shop showed his payroll for corresponding weeks in two successive years. In 1909 the total wages paid out in the second week in May amounted to $113.42, while in the same week in 1910 the total fell to $15. (Page 48.)

In spite of this versatility in combining trades, steady employment the year round is very unusual among the girls who are flower makers in the busy months in that trade. In every interview the visitor discussed with the girl the amount of time lost in the preceding twelve months. The reports of 105 appear in Tables 11 and 12.

TABLE 12.

Time Lost in the Year Preceding the Date of Interview Because of Slack Season by Women Employed in Artificial Flower Making.

Time lost.	Women losing the time specified.
"No time"	29
Less than 1 month	31
1 month and less than 3 months	31
3 months and less than 6 months	13
6 months and over	1
Total reporting	105

These figures are a record of the time actually lost, in spite of employment in other occupations when the season of flower making was over. Thus they do not show the total time out of work in the flower trade. (Pages 50-51.)

It may be roughly estimated here, however, that after workers have followed several different occupations in the course of a year only about one girl in seven will have received wages for fifty-two weeks. (Page 52.)

That the short and irregular season is a calamity for flower makers becomes more evident when the facts about wages in this trade are known. Furthermore, information about the home conditions and family responsibilities of these workers shows that low earnings and unemployment affect not only the individual wage earner but serve constantly to undermine the standard of living of the family group. (Page 58.)

Statistics of weekly wages cannot give a just impression of the real income of flower makers unless some effort be made to estimate the effect of irregular employment on yearly earnings. (Page 70.)

The average weekly wage of all the women investigated who had had a year or more of experience was $7.76. If employment were steady throughout the year this average weekly wage would amount to an average yearly income of about $400. Nevertheless, half the workers whose earnings in twelve months could be esti-

mated received less than $300. A rough comparison of these last two statements would indicate that the tax made by irregular employment on the income of flower makers amounts to about two dollars a week, a sum by no means insignificant. (Page 72.)

Women in the Bookbinding Trade. MARY VAN KLEECK. *Russell Sage Foundation Publication, New York, 1913.*

The foundation of this report was the industrial history of 201 women workers in the trade, combined with data secured from all the binderies in Manhattan. (Page 6.)

Most serious of all losses is the cut in yearly income due to the lack of work in dull seasons, or loss of time for other reasons. An accurate determination of yearly earnings is impossible unless the workers keep accounts, but the following estimate, made after very careful consideration of all the facts on our record cards, throws light on the workers' losses.

. . . If work were steady the average weekly wage of $7.22, which is recorded for the girls interviewed, would amount to a yearly income of about $375. But the estimate of yearly earnings shows that even though bindery girls find other work in dull seasons the median yearly income from all their occupations is about $308, indicating a loss of more than $50 in twelve months. This is not a small loss when the fact is realized that very few bindery girls earn $500 or more in a year. (Pages 84-86.)

Women in binderies in New York have experienced all sorts and conditions of irregular employment. . . . Nor does there appear to have been any systematic, successful effort either to prevent irregularity of employment or to lessen its evils. In the bookbinding trade, as well as in other occupations, this is one of the most baffling problems of industry. It concerns both men and women. It reduces earnings and lowers the standards of living. It checks the fullest development of efficiency, demoralizing the man or woman who must meet the

problem year after year under conditions so varied that the worker cannot measure with certainty the evils which the season may bring forth. (Pages 101-102.)

Of the maximum force of women employed in the busy season, 76 per cent., according to the statements of employers, are at work in the dull season. In different groups of binderies this proportion varies. In blankbook making 90 per cent. of the maximum force are at work in slack season, while in edition, pamphlet, and job binderies the minimum force is only 63 per cent. of the maximum in those establishments employing less than 50 women, and 81 per cent. in those employing 50 or more. Blankbook binderies appear to have the steadiest seasons. In edition, pamphlet, and job binderies unemployment is most serious in the smaller establishments employing less than 50 women.

. . . These figures indicate that the demand for workers so fluctuates that one of every four bindery women needed in the busy season is superfluous when the book market is dull. (Pages 106-108.)

TABLE 24.

Time Lost in Past[a] Year Because of Slack Season, by Women Employed in Bookbinding.[b]

Time lost.	Women who lost the time specified.
"No time"	40
Less than 1 month	27
1 month and less than 3 months	22
3 months and less than 6 months	14
6 months or more	8
Some time lost, length could not be estimated (part time, etc.)	37
Total reporting	148

(Page 118.)

[a]Preceding date of interview.

[b]Of the 201 women interviewed, 29 had not been wage-earners during the past full year, and 24 did not supply information.

Seasonal Fluctuations.—United States

The irregular employment of an expert folder who helps to bind a commercial register issued quarterly is pictured in Chart 4. She worked in the bindery from February 1 to March 7, and was laid off through March to the middle of May; worked from the middle of May to July, laid off two weeks in July; worked from August 1 to Labor Day, laid off Labor Day to the middle of November; worked from the middle of November to January 15. "It would have been better," she said, "to have had $6.00 a week steadily instead of earning $8.00 so irregularly."

Loss of earnings is not the only result of irregular employment. The discouraging effect on the worker, the reckless spirit which is often produced by the uncertainty whether one's job will end to-day or last another month, the habit of drifting from one occupation to another,—these are wholly demoralizing influences, and they become more demoralizing rather than less so in proportion as the worker's wages are needed for the support of her family. (Pages 123-124.)

The average wage reported by the group of girls interviewed by us was $7.22 a week, while the average reported by census enumerators in 1905 was even lower, $6.13. Yet it has been seen that women bookbinders are members of households in which it is difficult to make ends meet, and in which heavy responsibilities fall upon the women wage-earners. Their earnings are reduced still lower by reason of irregular work. Only about a third work in establishments reporting steady employment. Nearly three-fourths of the workers interviewed had frequently lost time in slack seasons. Only one in eight reported no time lost for any cause, while nearly a third reported a loss of one to three months during the year, and more than a fourth lost three months or more. An estimate of the approximate yearly income of bindery women shows that nearly three-fourths receive less than $400 in a year, in spite of their finding employment in other occupations when they have no work in bookbinding. (Page 220.)

Report of Special Commission to Investigate the Conditions of Wage-Earning Women and Minors in the State of Connecticut, 1913.

Conditions in Department Stores.

The seasonal nature of the work is one of its worst evils. For about three months in the spring and fall there is a very busy season which is followed by a three months slack period. On the part of the employers there are various ways of meeting this situation. Two firms lay off a majority of workers for all of the slack time, keeping only two older experienced workers throughout the year. One of the women questioned as to the hardships of this, said that she was forced to take in plain sewing or anything at hand at this time, but during the time she is employed in the stores she loses so many of her customers it is quite impossible to get a sufficient amount of work for a living income. One employer explained that for this reason he preferred married women with some source of income or dressmakers with an established business, but such discrimination is by no means always evident. (Page 237.)

The most common method is that of asking the worker to take a vacation. Whether they desire it or not the benefit of resting without earning is forced on them from four to eight weeks a year. This factor quite counterbalances high wages. Invariably the employees look forward with apprehension to the expense of enforced vacations. (Page 238.)

Considering the seasonal character of the work which forces from four to eight weeks vacation on all but a few of the most highly skilled and highly paid women, the question of decent existence must unavoidably be a pressing one to the girl thrown on her own resources. (Page 240.)

Report of the Industrial Welfare Commission of the State of Washington on the Wages, Conditions of Work and Cost and Standards of Living of Women Wage-Earners in Washington. CAROLINE J. GLEASON. *Olympia, Washington, 1914.*

Seasonal Work and Unemployment.—The distressing, complicated questions of seasonal work and of unemployment are the most vexing of the day. Every industry has its rush and dull periods. Manufacturers' busy seasons vary from three to six months. . . . Fruit and vegetable canneries are open in full force from June to October; then the work grows lighter and in December they close for another six months. Candy and cigar factories are busy in the fall and up to the Christmas time. A dull month follows, but February finds the candy makers busy again with the eggs and other fancies for Easter.

Seasons for retail stores vary somewhat with the class of wares carried. Confectionery stores which are usually operated in connection with ice-cream parlors are busiest in the summer months, but they, too, are rushed for a month before the winter holidays. The large department stores have a steadier flow of trade than do factories and laundries. Besides the seasonal "openings" which may last for two months at a time, there are spasmodic rushes centering around specially arranged sales. For the former, extra clerks are engaged, but during the latter, the shoppers are served by transferring saleswomen from one department to the "specials" counter. During the Christmas holiday rush some firms double the regular number of women employees. For some of the girls employment lasts through six weeks, but for others only three. But even the permanently employed force feels the weight of the slack winter season, because of the custom of giving unpaid "vacations" two weeks to a month in length.

The dull seasons are a problem to many girls. For it means that even during their periods of employment they have unproductive weeks ahead staring them in the face, and if possible they must save for these days when

they will probably be out of work. Some girls take advantage of the busy seasons in various industries, which come at different times of the year, and find employment at several lines of work for the greater part of the twelve months.

How the seasonal character of work may affect a wage-earner is apparent if we take 10 months a year as her maximum length of employment. Ten months approximate 43 weeks of employment, which at $10 a week would mean $430 as her annual income. Yet if the bare cost of living for her is $10 a week for 52 weeks, she is $90 short for the year. $430 a year averages $8.25 a week. And at that, steady employment for ten months would be unheard of good fortune for many a girl. (Pages 77-79.)

The Prevention of Destitution. Sidney and Beatrice Webb. *Longmans, Green & Co., London, 1911.*

To the workman, "unemployment" is not the attribute of a special class, or indeed, of any particular period or place, but the invariable accompaniment of the wage-earner's life in the present organization of industry. . . .

He realizes, perhaps more clearly than any other class, how incessantly the volume of his particular service that is demanded by the world, waxes and wanes—through the cyclical fluctuations of national trade, the yearly succession of the seasons, the unaccountable changes in taste or habit or fashion, the invention of new machines, the discovery of new materials, the adoption of new processes, the shifting of industry or population from one locality to another, the bankruptcy of this particular employer, or the death of another. He is, therefore, keenly alive to the fact that the one thing certain about every wage-earning employment is its perpetual insecurity, and the one assurance is that the number of the dismissals, at any one moment, at any particular season, or during any given year, can never be predicted in advance. This chronic insecurity and this incessant liability to change seems to him to be becoming more and more characteristic of industrial life. (Page 95.)

It is so difficult for those who do not belong to the wage-earning class to realize the position of the household dependent on weekly wages that we must, at the risk of wearisome iteration, once more insist that the evil with which we are dealing is not any abstract "state of the labor market," but the dismissal of a workman from his situation, the breach of continuity in his employment involving, as this does, so serious a dislocation of his own life, and of all the conditions of his family existence. (Page 110.)

Seasonal Trades. Edited by Sidney Webb *and* Arnold Freeman. *Constable & Co., London, 1912.*

We may realize from the variety of industries dealt with in this volume—a selection which is but a sample of many others, that practically all trades are "seasonal" to a greater or less extent. . . .

But every student of the problems of the poor, and every philanthropic worker, knows what difficulties and dangers, how many tragic family breakdowns and degradations of the Standard of Life, these recurrent periods of "slackness" are responsible for. (Page VI.)

. . . Investigation indicates that there are practically no trades which are not subject to seasonal as well as to cyclical fluctuations. (Page 4.)

It is with the manual worker living at the margin of sustenance and paid a bare existence wage, and that only for the time he is actually working, that the phenomenon assumes a vital and overwhelming importance. The manual worker could undoubtedly contemplate the cessation of his none too agreeable labors with as much complacence as the stock-broker starting for his summer vacation if it were not for the fact that his income and with it clothing, food, and shelter for himself and his family, cease with cessation of employment. The hope, often uncertain, that his trade will revive in a few months and reabsorb him is small comfort in the immediate necessity. His small savings quickly vanish, and every possession above the margin of necessity finds its way to the pawn-broker—clothing and furniture, home itself,

taking home to mean something more than four bare walls. The skilled worker is often protected to a certain extent by a meagre insurance allowance, and the unskilled worker by the occasional possibility of an alternative occupation, but irregular employment brings in its train at its best uncertainty of income and the lowering of the standard of life, and at its worst demoralization and the break-up of the family. (Pages 5-6.)

Thus to Adam Smith, as to many economists after him, even down to the present day, the question of irregular employment is mainly a question of wages. (Page 9.)

Among those living under great economic pressure there is a tendency for the standard of life to expand as far as possible within its narrow confines, like a gas under high pressure. The worker spends the larger part of whatever wages he gets. This holds true even when the wage becomes quite high. In America the iron-worker on the great skyscrapers finds ways to spend most of the high wage he earns for half the year, and often lives in great straits for the other half. Irregularity of income apparently encourages improvidence. Systematic arrangement of a family budget is possible only on the basis of a definite and regular income. In fact, the actual money value of the wage decreases with its irregularity. (Page 50.)

The waste due to the impossibility of systematic planning of expenditure and the higher prices paid because of credit make the wage quite inadequate even where the average throughout the year is normal. (Page 51.)

For women workers the evils of seasonal employment are even more conspicuous than in the case of men, and its effects more disastrous. (Page 53.)

The inadequacy of their wages quite precludes the idea of saving enough for slack times—even that "retrospective" form of saving which consists in pawning household belongings. Living with the greatest difficulty on the margin of sustenance, the cessation of their meagre income leaves them absolutely helpless and face to face with starvation. In this weak position it is often

difficult for them not to follow the only road which seems to lead away from pauperism. (Pages 53-54.)

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London). Bell, London, 1914.*

The consequence of the absence of any standard rate is to add an additional irregularity—a fluctuating labor price—to the other irregularities—a fluctuating demand and varying prices of raw material, which cause an industry to be busy at one period and slack at another. When there is a stiff barrier in the way of a reduction in wages, the production of goods is checked as the demand for goods diminishes, because prices fall while costs remain the same. In the chain trade wages could be cut almost at will; and since, in times of slackening trade, piece prices could be reduced to the minimum at which the worker could be induced to go on making chain rather than go without work altogether, it paid employers to crowd as much production as possible into the period when wages were at their lowest, and to curtail production when, owing to the revival of trade, they would naturally have been rising. What they did, therefore, was to pile up stock when wages were low; a small shop often holding 60 or 70 tons of chain, a large firm some hundreds. (Page 67.)

The reduction in wages did not cause more chain to be made. It only caused more chain to be made when wages were at their lowest. And it intensified the irregularity of the industry. For it meant that the production of chain was going on steadily when there was no demand for the chain produced, and that when the demand revived, employers had enough chain on hand to carry them over the first few weeks or months of the boom, with the result that at the time when workers would naturally have tried to get higher piece prices they were without work at all. (Page 68.)

To these two great evils, the endless cutting of wages

and the accentuation of trade fluctuations caused by the fact that wages could be endlessly cut, the Trade Board has applied a remedy which would be most valuable even if the advance in earnings which it brought about were comparatively slight. No employer now can undersell another by reducing piece prices. No middleman can cajole the worker into accepting a reduced price on the ground that he has been beaten down by the factory. Both factory owner and middleman know exactly the lowest price which they must pay for labor, and tender for orders on that basis. The worker who gets iron from a middleman knows what price he or she should be paid, and the middleman, therefore, has to make his profit, not by cutting wages, but by obtaining reasonable terms from the ultimate employer. Equally important is the influence of the minimum rates in discouraging speculative production, the "rushing down of wages as an investment". (Page 70.)

Apart from their direct influence in increasing earnings, the minimum rates thus fixed (a) have checked the fluctuations in piece rates and earnings which used previously to take place; (b) are likely, in the opinion of employers and workers, somewhat to smooth out the fluctuations in production, which, in the past, were partially due to the absence of any minimum below which the price of labor could not be reduced. (Page 130.)

(c) TIME LOST IN SHIFTING.

Besides the recognized fluctuation of work and wages at rush seasons, the payrolls of most industries show that there is a very large amount of shifting of employees during the year, with consequent loss of time and pay. In some trades it has been found that several times as many workers are taken on and dropped during the year, as are retained. This shifting arises in part from industrial causes such as temporary dismissals owing to slack work, etc., or from personal reasons such as illness, changing jobs, etc.

When wages are so low that saving is impossible, the workers are obviously unable to maintain themselves during these periods of unemployment, while dropped from the payroll, ill, or looking for work between jobs. Statistics show that establishments in a given industry vary conspicuously in the number of months in which they retain their employees. Different establishments making the same products for the same market, prosper side by side with competing establishments under like industrial conditions which pay conspicuously lower wages and which maintain a far less permanent labor force.

*Bulletin of the United States Bureau of Labor Statistics. No. 182. January, 1916. Unemployment Among Women in Department and Other Retail Stores of Boston, Mass.**

To what extent a given wage rate will cover the cost

* The Massachusetts Minimum Wage Commission made a study in 1914 of the wages of women in mercantile establishments, but was too limited in funds to investigate the extent and causes of unemployment throughout the year and its relation to the rates of pay. As the United States Bureau of Labor Statistics and the United States Commission on Industrial Relations had agreed to share the expense of a study of the extent and

of healthful living can not be fully determined without information as to the amount of unemployment which must be expected in the industry to which the rate applies.

Obviously the extent and causes of unemployment will vary with the character of the industry, as the ebb and flow of business in some industries is much more marked than in others. An industry in which the worker must expect to lose more or less time during the year because of "shutdowns," lay offs, and slack work presents a disturbing uncertainty to those entirely dependent upon their earnings for support. If a woman so circumstanced is earning, when working full time, only enough to meet the demands of healthful and decent living, any time lost presents to her a serious problem. She must in some way meet the cost of living for the 52 weeks in the year. Every week that does not bring its pay envelope must levy its tax upon the weeks that at best are bringing only enough for their own needs.

But there are other causes of unemployment, some of which are as completely beyond the control of the worker as are "shutdowns," lay offs, and slack work. Occasional illness falls to the lot of the average worker, entailing not only loss of employment but additional expense. That it causes more loss of employment among women than among men, both German and English figures on sickness insurance shows. Furthermore the German figures furnish evidence that the amount of unemployment due to sickness varies with the industry. To what extent this variation is due to the demands of the occupation is not shown except in cases where occupational diseases have been made the subject of special study. In any case, the extent to which the unemployment of wage-earning women is caused by sickness must be determined before its influence on the wage can be measured and before there can be an intelligent discussion of the question as to whether provision for such un-

causes of unemployment among women in retail stores, Boston was chosen as the field for study at the invitation of the Massachusetts Minimum Wage Commission. Through this co-operation the results of the investigation became available to the bureau, to the United States Commission on Industrial Relations as a basis for its findings, and to the Massachusetts commission to supplement its own investigation.

employment should be made in wage determinations or by some form of social insurance. (Page 6.)

Manifestly, the normal wage-earning women are to be found principally among the regular employees and on them chiefly do the extent and causes of unemployment in the department and other retail stores have serious bearing. The year's record of unemployment calls for separate analysis in the case of the regular employees.

Pay-roll data covering the year ending July 31, 1914, were available in 15 department and other retail stores in Boston. Agents of the United States Bureau of Labor Statistics visited the homes of 1,763 of the women employed in these stores and interviewed personally the women themselves or members of their immediate families. Of this number 1,156 were regular employees.* Excluding from consideration as employment or as unemployment the time before entering or after leaving industrial pursuits (amounting to an average of 2.4 weeks), the average period of possible employment during the year for the 1,156 women was found to be 49.6 weeks. The average unemployment during this period was found to be 6.4 weeks.

Sickness leads all causes of lost time, accounting for 30.2 per cent. of the unemployment and affecting 78.5 per cent. of the women employed as regulars. From this time lost through illness is excluded all sick leave during which the worker received pay from the firm directly. Sickness in the family and other home demands affected over one-fifth of the women and accounted for nearly one-fifth of the total period of unemployment. (Page 8.)

A scrutiny of the principal causes of unemployment reveals some impressive facts. These are brought out in Table 5, which follows, showing by occupation groups for the 1156 regulars the per cent. of unemployment due to specified causes.

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*In these stores the total number of employees was 5,985 regulars and 5,600 "extras" or part time workers. The discrepancy between the amount of unemployment in this report and in that given on page 281 is in part explained by the different organization of mercantile establishments in different cities and by a difference in methods of computation. The "extras" or part-time workers are here separately considered; they are more often treated together with the regular workers and thus emphasize the shifting among the total number of employees.

TABLE 5.

Per Cent. of unemployment during the year, due to each specified cause, among 1,156 women employed as regulars only, by occupation groups.

[Occupations shown in this table refer to work in stores only; the occupations while employed in other industries are not given. All who lost less than 6 days have been excluded from this table. Lost time for which the firm paid wages has not been included as unemployment. For an accurate understanding of the unemployment due to each specified cause this table must be considered in connection with Table 4. The data upon which this table is based are given in full in Table 48.]

Causes of unemployment.	Per cent. of unemployment due to each specified cause among—						
	Saleswomen.	Cashiers, examiners, etc.	Office Employees.	Workroom Employees.	Stock girls.	Others.	Total.
Sickness of employee	31.6	25.0	55.1	11.0	39.1	42.2	30.2
Enforced lay off	10.8	14.4	6.5	56.6	12.9	4.3	16.1
Inability to get work	10.1	25.0	11.0	19.1	41.2	40.7	15.8
Unpaid vacation	16.0	8.8	16.0	6.5	6.2	9.6	13.1
Sickness in employee's family	14.0	7.7	8.7	4.9	.5	1.7	10.6
Home responsibilities	7.3	14.6	1.3	1.0	—	.7	7.4
Other causes	10.2	4.5	1.4	.9	.1	.8	6.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The above table shows that 30.2 per cent. of the 6.4 weeks lost during the period of possible employment was due to the sickness of the worker. As has been stated before, it is not the purpose of this report to attempt to trace the relation between occupation and sickness, but simply to state the causes assigned for absences from duty. This large percentage, however, can not but suggest that undesirable conditions prevail. Approximately 16 per cent. of the unemployment was due to enforced lay off and about the same proportion to inability to get work. Over 13 per cent. was due to unpaid vacation, and about 11 per cent. was caused by sickness in the family of the worker. The remaining 14.2 per cent. was distributed almost equally between home responsibilities and

other causes. Equally important are the figures showing the per cent. of women reporting unemployment due to the causes just mentioned. These are given in the table which follows.

TABLE 6.

Per Cent. reporting specified causes of unemployment during year, among 1,156 women employed as regulars only, by occupation groups.

[Occupations shown in this table refer to work in stores only; the occupations while employed in other industries are not given. All who lost less than 6 days have been excluded from this table. Lost time for which the firm paid wages has not been included as unemployment.]

Cause of unemployment.	Per cent reporting each specified cause of unemployment among—						
	Saleswomen.	Cashiers, examiners, etc.	Office Employees.	Workroom Employees.	Stock girls.	All other occupations.	Total
Sickness of employee	79.9	75.8	85.0	59.2	88.0	77.1	78.5
Enforced lay off	29.8	33.3	13.2	85.5	40.0	11.4	31.5
Inability to get work	12.5	27.0	7.8	11.8	20.0	22.9	15.4
Unpaid vacation	47.9	30.2	34.7	26.3	16.0	37.1	39.7
Sickness in employee's family	15.8	11.9	13.8	21.1	8.0	8.6	14.6
Home responsibilities	6.5	9.5	2.4	3.9	—	2.9	6.7
Other causes	15.0	20.6	7.2	13.2	4.0	14.3	14.1

Of the total number of women, 78.5 per cent. reported sickness, 39.7 per cent. reported unpaid vacation, 31.5 per cent. reported enforced lay off, and 15.4 per cent. reported inability to get work, as causes of unemployment. It is obvious, then, that the factor which exerts the most influence on unemployment is illness of the worker. A study of the occupation groups shows very marked differences in the amounts of unemployment and in the causes thereof.

As shown in Table 4 the average number of weeks during the period studied over which the saleswomen's periods of employment extended was 51. The total amount of unemployment which the saleswomen had dur-

ing this period amounted to 13.1 per cent. of the entire time—equivalent to 6.7 weeks, so that the weeks of full-time employment amounted to only 44.3.

The predominating reason given for unemployment in this, as in nearly every other occupation, was sickness—sickness that varied in duration from half a day to several weeks, and embraced every ailment from a slight indisposition to a serious operation. As shown in Table 5, 31.6 per cent. of all the unemployment reported by saleswomen during the period of employment was due to this cause alone. When it is further considered that about 80 per cent. of the saleswomen lost time because of sickness and that for every 24 days worked by saleswomen one was lost because of sickness, the industrial importance of this cause, as well as its importance to the individual, becomes apparent. For the 601 saleswomen the amount of sickness averaged nearly 13 days and for the 480 who reported it about 16 days.* It should be understood that this does not include all sickness during the year, but only what was reported as resulting in loss of wages during the period of possible employment (51 weeks).

The "unpaid vacation" constituted 16 per cent. of the total amount of unemployment of saleswomen. It was reported by 288, or 47.9 per cent. of the 601 saleswomen, and averaged for them about 2 weeks apiece.

Sickness in the families of the saleswomen caused 14 per cent. of the total unemployment.

Enforced lay offs play an important part in the unemployment of saleswomen though not nearly as important as in some other occupations, 10.8 per cent. of their unemployment being due to this cause.

Inability to get work caused 10.1 per cent. of the unemployment, and home responsibilities 7.3 per cent. The other causes amount, altogether, to 10.2 per cent. of the total. (Page 21.)

* See Table 48, p. 67, for data on which these averages are based.

*Massachusetts Minimum Wage Commission. Bulletin No. 4, October, 1914. Wages of Women in the Candy Factories in Massachusetts.**

Fluctuation of Employment.

Table V. (a) shows the fluctuation of employment among the total number of workers for the twelve months under consideration. . . . The table shows that the greater number of women worked less than the five months out of the twelve. Not all of this majority were unemployed for the other seven months on account of dull periods in the industry; some of them gave up work in candy factories in order to do something else; others entered the factories only a few months before the close of the year. It is not possible, however, to determine why a person's name disappears from the pay roll, or whether or not it will appear again. Consequently, Table V (a) represents as accurately as possible the fluctuation in employment among the body of workers studied.

The floor girls seem to have been more irregular in their employment than any others. Their work is, of course, unskilled, and they can easily enter the occupation and as readily leave it for promotion or for some other form of unskilled labor elsewhere. The other occupations do not vary greatly from the averages for the whole industry.

A far more surprising degree of variation is shown in the employment percentages for different establishments. Some factories, for instance No. 1, keep more

* In this and the following Massachusetts bulletins all records of persons who appeared on the pay roll for less than four weeks out of the fifty-two under consideration were thrown out. This was done in order that the conclusions reached might apply only to workers who could legitimately be considered a part of the normal working force of the industry.

In computing weekly earnings and hours worked each week for individual workers, the procedure for each individual was as follows: the sum of all payments made during the fifty-two-week period,—that is, the girl's total income from her work for the year,—was found. This sum was divided by the number of weeks during which she was actually at work, as indicated by the number of weekly payments made to her. In this way her average weekly earnings for the time she was at work in the industry under consideration were ascertained.

part of the year; others keep only about a fourth at work for that length of time. These variations depend to some extent upon the kind of product in which the factories specialize. The small establishments, which manufacture only high-grade goods to be retailed on the premises, make an effort to secure skilled permanent workers by the payment of high wages, the offer of regular employment throughout the year, and the practice of giving vacations with pay. The large concerns making a specialty of high-grade chocolates seek to obtain the same result for at least part of the year through paying a bonus, usually 10 per cent. of the wages received from the commencement of the busy season in August or September until the 1st of the following January. One company has a profit-sharing system, each employee who has been there for a period of some four months preceding January, 1914, having received 10 per cent. of the total amount received for each full week worked during the year 1913. In general, the table shows that the candy kitchens and those establishments which give a bonus keep their employees longer than other concerns but this relation is not in every case as marked as might be expected. (Pages 24-25.)

Table V. (b)

Fluctuations of Employment Among 3,326 Workers: by Establishments.

Establishments.	Per Cent. of Workers Employed for Specified Number of Months—											
	12	11	10	9	8	7	6	5	4	3	2	1
No. 1	.5	32.4	39.3	41.5	43.8	48.7	53.9	58.6	65.2	75.0	85.3	100
No. 2	1.6	14.6	18.7	22.3	23.7	27.7	32.1	37.2	46.3	59.3	71.6	100
No. 3	3.6	25.1	29.6	33.6	36.5	41.0	44.6	49.2	55.7	62.9	76.2	100
No. 4	1.8	13.3	16.8	20.7	22.5	24.9	28.8	33.0	38.9	48.1	63.2	100
No. 5	1.1	23.6	26.1	29.0	31.9	34.8	39.1	47.5	57.2	64.5	80.8	100
No. 6	2.2	12.8	16.1	17.9	19.0	23.1	27.5	30.8	42.5	55.7	71.4	100
No. 7	11.6	20.2	24.4	27.5	29.8	32.9	36.8	40.7	50.4	60.1	73.6	100
No. 8	—	23.4	31.2	32.5	32.5	33.8	39.0	49.4	59.7	63.6	76.6	100
No. 9	8.6	13.8	15.5	19.0	25.9	27.6	32.8	39.7	46.6	56.9	67.2	100
No. 10	16.1	25.0	26.8	32.1	32.1	32.1	32.1	44.6	48.2	51.8	67.9	100
No. 11	2.6	13.2	13.2	15.8	18.4	21.1	23.7	28.9	42.1	52.6	76.3	100
No. 12	—	58.3	66.7	66.7	66.7	75.0	75.0	75.0	91.7	91.7	100.0	100
No. 13	—	50.0	50.0	50.0	50.0	50.0	50.0	50.0	75.0	100.0	100.0	100
No. 14	—	71.4	71.4	71.4	71.4	71.4	71.4	71.4	85.7	85.7	100.0	100
Total	2.6	21.8	26.4	29.4	31.4	35.2	39.6	44.7	53.0	63.1	76.0	100

(Page 35.)

Time Lost in Shifting.—United States.

Massachusetts Minimum Wage Commission. Bulletin No. 5. October, 1914. Wages of Women in the Laundries in Massachusetts.

In Tables VII and VIII and in Diagram II the question of fluctuation of employment is taken under consideration. Table VII presents the percentage of the employees who were at work for the specified number of months. In the last column, that of the number who were employed for at least one month, the percentage is in each case 100, for the reason that all those who were not at work for at least four weeks were not tabulated. . . . Marked differences are seen among the occupations in the regularity of the employment which they offer. On the whole the skilled occupations have kept the steadiest workers. Not quite one-half the workers had employment for five months or more.

From the records available for the commission's use it is not clear that the amount of absence shown may be called strictly unemployment. When a name disappears from a pay roll in the sixth month of the year, for example, it is not clear whether a girl has left of her own accord for one of many possible reasons, whether she has been laid off by her employer for one reason or another, or whether her name will again appear on the pay roll in which latter case she will probably have left the industry, or at any rate have gone to work in another establishment, and cannot accurately be termed unemployed. The material which could be obtained on this question was not a matter of record and appeared highly unreliable. Consequently caution has been used in terming the situation "unemployment".

In Table VIII the same set of facts is set forth with its relation to the separate establishments. A very considerable difference is shown among the establishments, indicating at least that tendencies toward irregularity in work are stronger in some laundries than in others. (Page 26.)

Table VIII.

Fluctuation of Employment Among 2,961 Workers: by Establishments.

Establishments.	Per Cent. of Workers Employed for Specified Number of Months—											
	12	11	10	9	8	7	6	5	4	3	2	1
No. 1	5.9	9.9	12.2	14.5	16.1	19.4	21.7	24.7	34.2	46.4	59.5	100
No. 2	7.2	22.7	26.0	28.2	32.0	39.2	44.2	46.4	53.6	60.8	78.5	100
No. 3	8.4	41.9	45.5	50.9	53.3	60.5	64.1	70.7	74.3	80.8	89.2	100
No. 4	11.9	28.3	32.7	34.6	39.0	43.4	48.4	49.7	66.7	71.7	83.0	100
No. 5	2.6	13.8	15.1	17.1	18.4	23.0	28.9	32.2	38.8	50.7	65.8	100
No. 6	5.6	41.9	49.2	50.8	51.6	53.2	58.1	60.5	66.9	77.4	84.7	100
No. 7	16.1	27.1	31.4	32.2	35.6	39.8	44.1	49.2	55.9	66.9	75.4	100
No. 8	13.9	33.3	38.0	39.8	42.6	49.1	56.5	60.2	62.0	67.6	80.6	100
No. 9	12.7	19.6	23.5	30.4	34.3	37.3	43.1	50.0	61.8	74.5	83.3	100
No. 10	6.0	17.0	24.0	26.0	30.0	36.0	43.0	46.0	57.0	64.0	79.0	100
No. 11	9.5	14.7	18.9	21.1	23.2	28.4	34.7	38.9	48.4	53.7	63.2	100
No. 12	6.4	20.2	25.5	29.8	34.0	37.2	45.7	50.0	60.6	72.3	78.7	100
No. 13	2.3	24.4	26.7	29.1	32.6	36.D	39.5	44.2	55.8	64.0	76.7	100
No. 14	7.0	47.7	52.3	55.8	60.5	61.6	64.0	65.1	73.3	79.1	83.7	100
No. 15	3.7	12.2	20.7	28.0	35.4	40.2	43.9	48.8	53.7	67.1	79.3	100
No. 16	15.0	37.5	45.0	48.8	55.0	57.5	66.3	66.3	73.8	83.8	87.5	100
No. 17	29.2	58.3	62.5	65.3	66.7	68.1	70.8	75.0	80.6	86.1	91.7	100
No. 18	7.0	28.2	35.2	36.6	36.6	40.8	47.9	49.3	54.9	60.6	73.2	100
No. 19	6.0	37.3	44.8	44.8	49.3	55.2	58.2	59.7	71.6	74.6	83.6	100
No. 20	7.6	9.1	9.1	9.1	10.0	13.6	24.2	25.8	40.9	53.0	72.7	100
No. 21	4.8	7.9	11.1	12.7	14.3	31.7	36.5	39.7	50.8	58.7	69.8	100
No. 22	17.5	41.3	44.4	46.0	50.8	61.9	69.8	73.0	81.0	92.1	96.8	100
No. 23	18.9	43.4	52.8	56.6	58.5	60.4	60.4	60.4	66.0	71.7	83.0	100
No. 24	11.8	25.5	27.5	31.4	39.2	41.2	41.2	45.1	52.9	62.7	72.5	100
No. 25	3.9	27.5	29.4	33.3	33.3	37.3	43.1	43.1	58.8	62.7	78.4	100
No. 26	13.9	27.9	32.6	39.5	46.5	48.8	51.2	58.1	65.1	74.4	83 7	100
No. 27	2.5	5.0	5.0	5.0	5.0	10.0	15.0	20.0	22.5	30.0	40.0	100
No. 28	5.0	15.0	15.0	22.5	27.5	35.0	37.5	45.0	65.0	75.0	77.5	100
No. 29	12.8	30.8	30.8	33.3	38.5	41.0	43.6	48.7	61.5	71.8	79.5	100
No. 30	11.8	32.3	32.3	35.3	47.1	47.1	53.0	55.9	64.7	79.4	85.3	100
No. 31	2.9	8.8	14.7	14.7	20.6	26.5	32.4	32.4	38.2	50.0	58 8	100
No. 32	15.2	30.3	36.4	36.4	42.4	45.5	54.5	54.5	57.6	63.6	72.7	100
No. 33	30.0	46.7	56.7	56.7	63.3	66.7	73.3	80.0	80.0	86.7	96.7	100
No. 34	30.8	38.5	42.3	46.2	50.0	57.7	61.5	69.2	76.9	80.8	96.2	100
No. 35	4.0	20.0	24.0	40.0	40.0	52.0	52.0	52.0	60.0	72.0	76.0	100
No. 36	18.2	45.5	50.0	59.1	59.1	63.6	63.6	68.2	77.3	81.8	86.4	100
Total	9.4	25.9	30.2	33.0	36.2	40.9	45.7	49.1	57.6	66.4	77.1	100

(Page 10.)

Time Lost in Shifting.—United States.

Massachusetts Minimum Wage Commission. Bulletin No. 8, September, 1915. Wages of Women in the Paper Box Factories in Massachusetts.

Table 8 shows the fluctuation of employment for all of the factories studied and among the various occupations. The figures demonstrate the extent of the flux among the working force, as a whole, and the greater instability among the comparatively unskilled and low-paid occupations. On the other hand, topping, labeling and stripping show the largest number of workers who remain at their occupations for the entire fifty-two weeks of the year. A fact previously mentioned should be noted throughout the entire discussion of the fluctuation of employment, namely, that the figures presented do not purport to portray the extent of unemployment for the industry as a whole, but merely to give a summary of the pay rolls of the 24 factories studied. It is important to note in Table 9 that similar differences exist among the various establishments, a fact not easy to account for, since the variations are apparently not related to the level of wages paid or to the character of the product. (Page 23.)

COPY BOUND CLOSE IN CENTER

Table 9.

Fluctuation of Employment Among 2,178 Workers: by Establishments.

Establishments.	Per Cent. of Workers Employed for Specified Number of Months—											
	12	11	10	9	8	7	6	5	4	3	2	1
No. 1	1.5	52.6	63.2	69.9	73.1	76.6	81.3	83.9	88.9	91.5	95 6	100
No. 2	6.4	15.4	20.2	22.9	25.5	28.7	31.9	36.7	48.4	56.9	71.8	100
No. 3	—	29.7	34.6	37.3	41.6	44.9	45.4	48.6	58.4	64.3	76.8	100
No. 4	7.1	33.3	45.4	48.1	51.9	60.7	65.6	69.9	74.9	80.3	87.4	100
No. 5	7.5	61.6	64.4	69.9	74.0	77.4	79.5	81.5	84.9	87.7	90.4	100
No. 6	—	32.1	40.0	42.1	45.0	55.0	61.4	64.3	76.4	80.0	87.1	100
No. 7	13.3	35.2	42.2	48.4	51.6	54.7	58.6	68.0	74.2	78.1	83.6	100
No. 8	10.3	30.2	34.1	37.3	39.7	46.8	50.0	57.1	68.3	74.6	81.7	100
No. 9	7.1	41.8	53.1	56.1	57.1	59.2	61.2	64.3	71.4	84.7	89.8	100
No. 10	1.2	20.9	25.6	26.7	27.9	30.2	34.9	37.2	45.3	60.5	70.9	100
No. 11	1.2	26.7	41.9	43.0	46.5	48.8	51.2	55.8	62.8	75.6	82.6	100
No. 12	27.9	44.1	52.9	61.8	64.7	69.1	75.0	77.9	77.9	80.9	89.7	100
No. 13	32.8	60.7	62.3	67.2	67.2	72.1	73.8	75.4	82.0	86.9	91.8	100
No. 14	—	17.0	27.7	31.9	36.2	48.9	53.2	57.4	70.2	85.1	87.2	100
No. 15	—	2.2	10.9	17.4	21.7	23.9	23.9	34.8	43.5	50.0	65.2	100
No. 16	—	40.5	70.3	73.0	75.7	78.4	81.1	83.8	83.8	86.5	97.3	100
No. 17	11.1	61.1	83.3	86.1	88.9	94.4	97.2	97.2	97.2	100.0	100.0	100
No. 18	15.2	48.5	54.5	60.6	60.6	60.6	63.6	69.7	84.8	90.9	97.0	100
No. 19	7.1	46.4	60.7	60.7	60.7	78.6	78.6	78.6	85.7	89.3	96.4	100
No. 20	37.0	59.3	63.0	66.7	74.1	77.8	81.5	81.5	85.2	88.9	96.3	100
No. 21	—	14.8	63.0	70.4	81.5	81.5	81.5	88.9	88.9	92.6	96.3	100
No. 22	—	26.9	38.5	42.3	42.3	42.3	57.7	61.5	73.1	84.6	96.2	100
No. 23	35.3	58.8	64.7	76.5	82.4	82.4	82.4	82.4	82.4	94.1	100.0	100
No. 24	17.6	35.3	41.2	47.1	52.9	58.8	58.8	58.8	64.7	82.4	88.2	100
Total	6.8	37.2	46.1	50.2	53.4	58.0	61.5	65.4	72.5	78.7	86.1	100

(Page 33.)

Massachusetts Minimum Wage Commission. Bulletin No. 9. September, 1915. Wages of Women in Women's Clothing Factories in Massachusetts.

In Tables 8 and 9 the fluctuation and duration of employment are analyzed. Table 8 shows the number of employees in each occupation who remained at work for the specified number of months. In the first column, consisting of those who worked for fifty-two weeks without vacation, the number is naturally small. In the second column, consisting of those who worked for forty-eight or more weeks, the number is still small, and only in the case of one occupation, sample making, does it include one-half of the employees. Plain finishers, examiners and drapers are next in order in this group. On the whole, the more skilled occupations afford steadier employment.

From the records available for the Commission's use it is not clear that the amount of absence shown may be called strictly unemployment. . . .

In Table 9 the duration of employment is analyzed according to the establishments involved. The more skilled group, the cloak, suit and skirt workers, show themselves to be the steadier workers. They are employed more months during the year, but work on an average less number of hours a week than dress and waist workers. This is to be explained by the fact that there are two distinct busy seasons for cloak, suit and skirt workers, thus making the employment in a sense more regular than the dress and waist workers, who have the one busy season in the spring and work longer hours as a result. The tendency toward irregularity of work is much greater in some establishments than in others. (Pages 19-20.)

TABLE 9.

Fluctuation of Employment among 1,961 Workers: by Establishments.
Dress and Waist.

Establishments.	Per Cent. of Workers Employed for Specified Number of Months—											
	12	11	10	9	8	7	6	5	4	3	2	1
No. 1	—	—	—	4.0	17.3	27.4	39.4	45.1	54.9	63.7	70.4	100
No. 2	8.4	23.9	26.5	29.7	31.6	34.8	37.4	39.4	45.8	53.5	67.1	100
No. 3	.9	5.2	14.7	19.8	28.4	37.9	39.7	40.5	56.0	68.1	81.0	100
No. 4	1.7	5.2	8.7	13.9	17.4	20.9	27.8	27.8	39.1	47.0	57.4	100
No. 5	—	9.0	18.0	23.4	25.2	28.8	32.4	36.0	45.9	55.9	77.5	100
No. 6	1.1	2.2	2.2	5.6	5.6	5.6	10.1	14.6	29.2	41.6	55.1	100
No. 7	—	43.5	54.1	57.6	60.0	64.7	69.4	72.9	77.6	83.5	89.4	100
No. 8	4.9	25.6	35.4	36.6	39.0	39.0	42.7	43.9	52.4	62.2	72.0	100
No. 9	10.7	32.0	38.7	44.0	44.0	48.0	48.0	52.0	60.0	69.3	72.0	100
No. 10	4.2	11.1	18.1	23.6	27.8	31.9	37.5	44.4	52.8	73.6	84.7	100
No. 11	1.4	4.3	5.8	10.1	13.0	14.5	17.4	17.4	26.1	33.3	43.5	100
No. 12	—	1.5	1.5	1.5	3.1	6.2	7.7	12.3	21.5	35.4	61.5	100
No. 13	1.6	4.8	9.5	12.7	14.3	19.0	20.6	20.6	38.1	42.9	50.8	100
No. 14	—	—	37.3	45.8	55.9	66.1	67.8	72.9	86.4	93.2	94.9	100
No. 15	1.7	43.1	55.2	60.3	70.7	79.3	81.0	82.8	84.5	84.5	91.4	100
No. 16	2.1	22.9	45.8	54.2	58.3	64.6	66.7	68.8	70.8	72.9	75.0	100
No. 17	—	2.3	11.6	16.3	25.6	30.2	32.6	32.6	44.2	55.8	65.1	100
No. 18	—	16.7	19.4	19.4	19.4	36.1	36.1	38.9	55.6	61.1	75.0	100
No. 19	2.9	20.0	22.9	22.9	22.9	28.6	37.1	42.9	42.9	45.7	51.4	100
No. 20	—	20.0	20.0	23.3	26.7	26.7	43.3	56.7	83.3	86.7	86.7	100
No. 21	—	23.3	63.3	66.7	73.3	76.7	80.0	83.3	86.7	90.0	93.3	100
No. 22	3.4	20.7	24.1	24.1	31.0	37.9	41.4	51.7	55.2	58.6	69.0	100
Total	2.2	13.4	20.5	24.5	29.4	34.7	39.3	42.6	52.3	60.9	71.1	100

(Page 32.)

Cloak, Suit and Skirt.

Establishments.	Per Cent. of Workers Employed for Specified Number of Months—											
	12	11	10	9	8	7	6	5	4	3	2	1
No. 23	—	14.6	45.8	47.9	54.2	58.3	58.3	64.6	72.9	83.3	87.5	100
No. 24	—	—	6.9	10.3	20.7	27.6	37.9	37.9	44.8	51.7	72.4	100
No. 25	—	3.7	11.1	22.2	22.2	29.6	44.4	44.4	55.6	59.3	85.2	100
No. 26	23.1	57.7	65.4	65.4	65.4	65.4	65.4	65.4	65.4	65.4	76.9	100
No. 27	3.8	30.8	46.2	50.0	53.8	53.8	53.8	61.5	76.9	80.8	88.5	100
No. 28	—	10.0	15.0	20.0	25.0	30.0	45.0	60.0	75.0	80.0	85.0	100
No. 29	5.0	10.0	10.0	25.0	55.0	55.0	60.0	60.0	65.0	75.0	90.0	100
No. 30	—	—	18.8	31.3	37.5	43.8	50.0	56.3	68.8	75.0	81.3	100
No. 31	—	31.3	37.5	50.0	50.0	50.0	56.3	56.3	62.5	62.5	75.0	100
No. 32	—	9.1	18.2	27.3	45.5	45.5	45.5	63.6	63.6	72.7	81.8	100
No. 33	9.1	18.2	18.2	18.2	18.2	18.2	18.2	27.3	45.5	45.5	63.6	100
No. 34	—	9.1	18.2	18.2	18.2	27.3	27.3	27.3	36.4	54.5	54.5	100
No. 35	—	—	—	—	—	—	—	12.5	12.5	25.0	62.5	100
No. 36	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100
Total	3.3	16.3	28.1	33.7	40.0	43.7	48.5	53.3	61.9	68.1	80.4	100
Total of all establishments..	2.4	13.3	21.5	25.8	30.9	36.0	40.6	44.1	53.6	61.9	72.4	100

(Page 33.)

Time Lost in Shifting.—United States.

Fourth Report of the New York Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Relation of Irregular Employment to the Living Wage for Women, IRENE OSGOOD ANDREWS, *Assistant Secretary, American Association for Labor Legislation.*

In the analysis of the situation as to the irregular employment of women there appear three main classes of workers fairly well defined.

1.—The smaller group of those permanently employed, forming the backbone of the labor force.

2.—Those who are employed for the entire busy season, but are laid off at its close.

3.—Those who drift in and out of the industry working only a few days or weeks at a time in one place.

In most industrial establishments there exists that smaller class of employees (group 1) consisting of the more skilled and permanent workers, permanent in the sense that they remain on the payroll for at least a year. They are the older more responsible workers who are more frequently entirely dependent upon their earnings, often with relatives or families dependent upon them, and are more likely to be employed at the higher rates of wages. Nominally this class of employees is referred to as "steady" workers but from the point of view of earnings we have seen that even these workers suffer large wage losses due to slack work in the dull season.

The second group of workers consists of those who for various reasons are dropped from the payroll from the time the dull season begins until the arrival of the busy season. . . . There are undoubtedly a few employees, some of them perhaps married, who plan to go into the industry only during the busy season in order to supplement the family income, perhaps for personal reasons or more likely to tide the family over a financial depression due to sickness or unemployment of the male breadwinner. But the larger group consists of responsible, steady women, many of them entirely dependent on their own resources, others with families depending

upon them. These are the workers who suffer most by enforced periods of unemployment.

This third group of workers consists of those who are constantly shifting in and out of the industry staying only a few days or weeks in one place. The existence of this last group is made clear by a study of almost any payroll; for it is almost universally true that, during the course of a year, for one position, a succession of persons are hired and discharged, or leave for some reason. The State Factory Commission's investigation in New York City showed that in the confectionery industry 45 per cent., and in the paper-box industry, 40 per cent. stayed four weeks or less in the same factory. Miss Van Kleeck showed that in millinery 52 per cent. stayed only eight weeks or less. In the manufacture of men's clothing, a more steady trade, an investigation of conditions in the five leading cities in the trade, 1907-8, showed that 28 per cent. of the women worked less than five weeks in the same place. Among saleswomen the conditions are similar. In a large Boston store 20.8 per cent. remained less than five weeks, while a Washington, D. C., investigation showed that 25 per cent. remained three months or less. (Pages 520-21.)

These three classes are of course not defined by hard and fast lines. They merge into one another and workers are constantly passing from one class to another. Frequently bad industrial conditions will throw steady workers back into the casual labor class. (Page 522.)

The Paper Box Industry.

In the paper box industry, the flux of workers is very great; it is a constantly changing group on which all the seasonal variations fall. In New York City in 1912-13, only a quarter of the women paper-box workers stayed in the same place more than six months. Three-fifths stayed three months or less, one-half less than two months and two-fifths four weeks or less. Incredibly large numbers drift in for a few days or even hours and then drift out again. Only 15 per cent. were what might be called steady workers, staying eleven months

or more out of the year in the same establishment. Three times as many people as were employed at any one time were dropped and added during the year. It is of course true that many of these changes were undoubtedly due to personal reasons. A low-grade, poorly paid, little skilled body of workers is an everchanging one. Yet such facts as the wholesale dismissal of workers in Philadelphia after Christmas previously mentioned, show that the irregularity of the industry must be held responsible for no small part of the shifting. . . . Some pressure is needed that will force them out and make it profitable for the manufacturer to furnish steady employment to responsible workers. (Page 533.)

The Confectionery Industry.

In New York City, in the year studied by the Factory Investigating Commission, September, 1912, to September, 1913, 45 per cent. of the women stayed four weeks or less in the same place and a total of 66 per cent. less than three months; 13 per cent. remained from three to six months and 8.3 per cent. over six months and less than eleven months. Only 12 per cent. held their places over eleven months. In Massachusetts in 1913-14, the Minimum Wage Commission found the number of months during which over 3,000 women in the fourteen largest factories had remained in the same establishment. All those leaving in less than four weeks were excluded and, considering the large numbers who leave after a few days' work, the showing is, in this way, made much more favorable. Even so, 36.9 per cent. stayed less than three months and only 21.8 per cent. more than eleven months. Twenty-three and a half per cent. remained three to six months and 17.8 per cent. from six to eleven months. An almost negligible percentage of the entire number found employment for the entire twelve months. (Pages 553-54.)

Like evidence, though from a slightly different point of view, comes from the results of a federal investigation made in 1911 in the two widely separated states of Maryland and California. The average number of weeks' em-

ployment yearly for all women candy workers was thirty-nine in the one state and forty-five in the other. Allowing for the fact that some of these workers must have been steady throughout the year, many others must have been able to find work for very short periods only.

Those who are dismissed on account of the slack season must find it especially difficult to obtain other work, since they lose their places after Christmas and in the summer, when most other women's trades are dull. And in Massachusetts, in 1911, out of about 850 such changes from factory to factory, 22 per cent. were said by the women changing to have been made on account of slack work.* (Page 554.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. Mercantile Establishments.

In eleven large New York City stores with an average total force of 27,264, there were added during the course of the year 44,308 persons, and 41,859 left or were dropped. In other words, more than once and a half as many people flowed through the stores as are usually employed in them at one time.

The stores differ greatly in the extent of the shift among their employees. In one establishment the change amounts to only about 20 per cent. of the normal force. In practically all the others, it is 100 per cent. or over; in one it amounts to over three times the average number employed at one time.

We entered the number of weeks worked by all employees who appeared on the payrolls of an up-state store during an entire year. The following table shows the length of time they stayed with that establishment. The working force of this store last spring was slightly over 1,100 persons.

* For similar figures as to other trades, see op. cit., pages 570 ff.

Time Lost in Shifting.—United States.

Table 19.

Weeks Worked in a Year.

Weeks Worked.	Males.	Females.	Both.	Cumulative per cent. of all.
— 1	107	106	213	6.
1— 4	407	461	868	31.
5— 8	232	177	409	43.
9—12	165	151	316	52.
13—16	217	204	421	64.
17—20	76	87	163	69.
21—24	57	65	122	73.
25—28	31	53	84	75.
29—32	39	58	97	78.
33—36	44	57	101	81.
37—40	87	63	150	85.
41—44	14	29	43	86.
45—48	25	48	73	88.
49—52	182	218	400	100.
Total.	1683	1777	3460	100.

It will be seen from this table that over one-fourth of the people stayed from one to four weeks—probably the holiday contingent. But one-half were employed less than three months and three-fourths, less than seven months. Less than 12 per cent. had been with the firm eleven months or more. (Pages 92-93.)

This shifting about naturally causes loss of time and wages between jobs. Personal reasons, such as illness, also throw people out. In order to discover the extent of this loss, we inquired of more than a thousand women as to their experiences during the last twelve months. The following table shows the distribution of the instances recorded by cause and duration.

It should be understood that persons who did not report any time lost must not be considered as reporting no time lost. Sometimes they forget how long they were

away. Still, 653 instances are recorded for 1,036 women. In 25 cases a person had suffered loss both from industrial and from personal causes.

The most usual period of unemployment due to slack work or absolute loss of position was from one to two weeks. The majority of those who were out for illness or other personal reasons lost a week or less. Sickness was by far the most frequent cause of withdrawal.

Holidays and vacations also occasion some loss. In the main, however, all important legal holidays are allowed with pay. But we have statements from employees up-state, that on six days when the stores are closed they received no pay. (Pages 95-96.)

Only 19 per cent. of the women and girls would earn less than $300 a year if we multiplied their weekly rate by 52. But if we take 52 times their average earnings, we find that 28 per cent. would fall below that amount. From this it is evident that incomes based on rates are too high. (Page 100.)

Fourth Report of the New York State Factory Investigating Commission. 1915. Vol. II. Appendix IV. The Shirt Industry.

Of course this variation in the total number of persons employed results in the displacement of many workers. But beyond this rise and fall due to trade conditions, we find that many individuals change their positions. In one factory whose payrolls were checked for a year, we found that out of a total of 415 persons who had been employed during twelve months, 69 (17%) stayed from one to four weeks; 101 (24%) from five to sixteen weeks; and only 122 (29%) forty-nine weeks or over. In the case of 93 persons their period of employment had been divided between two branches of the business. This internal shifting without doubt enabled some to remain longer than would have been the case had they been engaged in the manufacture of only one product, because slack work in one department could be partly offset by turning a part of the force into the other shop.

Naturally, such moving about causes loss of time between jobs. Of 94 women workers up-state who made definite statements regarding this matter, only 10 reported no time lost during the preceding year. Forty-five lost from one day to two weeks from slack work or closing of the factory, averaging 11 days apiece. Forty-one lost from a day to two months from illness, sickness in the family or other personal causes—an average of 18 days each. Some had experienced losses from both industrial and personal reasons. Of 57 who specified loss from all causes, the average time away from work during the year amounted to 22 days for each one. This does not include holidays or vacations. Six holidays during the year were paid for in 41 cases and unpaid in 16 instances. Vacations of one or two weeks were reported with pay in four cases; without in sixteen. Most factory workers are not given regular vacations, unless periods of enforced absence from work be considered in this way. Of course piece workers lose when they do not produce.

We have the testimony of 177 female employees in New York City, concerning their vicissitudes during the year 1913. Some of them had not been in the shirt trade for the entire twelve months preceding, but their experience is pertinent to the inquiry regarding general conditions, which such persons must meet. We may briefly summarize our findings in a few remarks.

Eighteen persons had been out of a job entirely from one week to six months. Seventy had lost from one week to four months because of slack work. For 102 women who reported loss from industrial reasons, the average time out was over 34 days apiece. Fifty-two lost from a few days to three months because of personal illness, averaging 15 days each, and 111 were out because of sickness or other trouble in the family. In short, 152 women (86% of all) reported the loss of 5,502 days during the past year, or more than a month each. (Pages 214-215.)

Ibid. Vol. II. Appendix IV. The Paper Box Industry.

The fluctuation of the box trade as a whole gives a very inadequate idea of the amount of shifting from one es-

tablishment to another. We were unable to follow all employees for an entire year within the industry, because of the enormous task of tracing names and addresses. The following table shows the length of time 2,295 persons stayed in 9 plants during 12 months. These places ordinarily employed about 792 hands. (Page 253.)

TABLE XIII.

Number and Per Cent. of Employees Working Specified Number of Weeks in One Year.

Weeks Worked.	Males.	Females.	Both.	Cumulative per cent. of all.
Less than 1	86	262	348	15.2
1—4	134	432	566	29.9
5—8	73	202	275	51.9
9—12	56	117	173	59.5
13—16	31	89	120	64.7
17—20	24	63	87	68.5
21—24	20	46	66	71.4
25—28	24	37	61	74.1
29—32	14	36	50	76.2
33—36	14	32	46	78.3
37—40	18	23	41	80.0
41—44	5	29	34	81.5
45—48	12	38	50	83.7
49—52	122	256	378	100.0
Totals	633	1,662	2,295	100.

(Page 254.)

. . . It is plain that women were more rapid in their transit than men. Both sexes appear to be divided into two well-marked groups. About one-half stayed less than two months; about one-sixth stayed practically the whole year. The other straggled in and out at such a rate that several times as many people as the plants ordinarily employ, were added and dropped during 12

months. The less skilled and lowest paid workers shift most rapidly. (Page 253.)

It will be seen from this table that about twice as many persons flowed through the plant as were retained. That means in order to maintain an average working force of less than 800 persons, the services of more than 2,300 people were used, two-thirds of whom were only temporarily employed. Nearly 100 persons were taken on and laid off more than once during the year.

This shifting and laying off entails loss of time between jobs for the floaters. But even the steady workers are affected by slack seasons, sickness and other reasons that cause them to stay out or change employers. Among 229 women operatives it was found that on the average nearly 5 weeks apiece had been lost during the previous year, in amounts varying from less than one day to ten months. Three weeks were accounted for by industrial reasons and two by personal causes. For the 115 who were out from slack work, 19 working days, or a little over three weeks, was the average; and for the 54 altogether out of a job, 26 working days, or something over 4 weeks, was the average. Sickness in 92 cases aggregated 1,837 days loss.

Vacations with pay among the operatives are very rare. Thirty-three women out of 283 reported a week or two in the dull season. Holidays vary with the character of the establishment. Native firms keep most important legal days; Jewish workers observe their religious celebrations. It is plain from Plate D (page 130) that pay envelopes do not benefit from cessation of work, although tired bodies may. (Page 257.)

Women In the Bookbinding Trade. Mary Van Kleeck. *Russell Sage Foundation Publication, New York, 1913.*

Of the 163 women included here, all of whom have been wage-earners a year or more, 80, or nearly half, have worked in two or more establishments in the past twelve months, and a few have changed from one employer to another four times or more. For the worker

such frequent change, whether it be due to fluctuating seasons, uneven demand for labor, a casual attitude toward work, or any other cause, industrial or personal, means inevitably a loss of income. The first phase of the question to be considered is the loss of time between "jobs." This was determined for 176 positions.

TABLE 22.

Periods for which women employed in Bookbinding were idle after leaving positions.

Time Idle.	Positions after leaving which women were idle for periods specified. Number.	Per Cent.
"No time"	65	37
Less than 1 month	50	28
1 month and less than 2 months	16	9
2 months and less than 3 months	12	7
3 months or more	33	19
Total	176	100

The worker who finds another place within a week is likely to say that she has lost "no time". Although this was the statement made of more than a third of the positions, it is probable that in many of these cases a day, at least, was lost. In more than a third the loss was one month or more.

It is not only between positions that a worker loses time. She may be "laid off" for two or three weeks, or may work only part of the time without severing her connection with the establishment. (Pages 114-116.)

Of the bindery girls interviewed 29 had not been wage-earners during the entire past year, and 52 could not state the length of unemployment accurately enough for tabulation. Table 23 contains the records of the remaining 120.

Time Lost in Shifting.—United States.

TABLE 23.

Time lost in the past* year from all causes by women employed in Bookbinding.†

Time Lost.	Women who lost the time specified.
"No time"	14
Less than 1 month	36
1 month and less than 3 months	36
3 months and less than 6 months	18
6 months or more	16
Total Reporting	120

Less than one in eight reported no time lost for any cause, while three in 10 reported a loss of one to three months, and more than one in four lost three months or more. (Page 116.)

The statements of a few of the girls in the group whose records appear in these statistics may emphasize further the facts about irregular work. An inserter employed in a magazine bindery earned $12 one week, $12 the next, had no work and no pay the third, and earned between $8.00 and $9.00 the fourth. She said that this was the story of a typical month's work. Another, a learner, when asked to tell what her earnings had been in the past four weeks said, "little over $4.00 the first week, a little more than $5.00 the second, $5.92 the third, and I got $4.65 this week. Sometimes I work two full weeks in the month but not often. We're not often laid off, but a week or two in the month we're on part time and go home at 2 or 3 or 4 o'clock in the afternoon." Another's record reads, "Two weeks ago made $9.00, last week $1.50; had only two days' work. About two and a half full weeks of work in the month, not more."

"I earned $5.40 this week; last week I earned $9.00," said an expert feeder of the drop-roll-folding machine in

* Preceding date of interview.

† Of the 201 women interviewed, 29 had not been wage-earners during the past full year, and 52 did not supply information.

an edition and pamphlet bindery. She had been employed in the bookbinding trade six years. . . . This girl complained of another cause of loss,—lack of promptness in repairing machines when they are out of order. If operator is a piece worker, every hour of delay reduces her earnings. She has had this experience several times recently. When conditions were favorable and work plenty, her usual earnings were $9.00 in a week, but she could not even estimate her yearly income, so much did it vary from year to year,—not because of variation in her personal efficiency, but because of unforeseen changes in the condition of the book market, or in the prosperity of the firm employing her. The girl was a skilled worker in the trade. For less expert bindery girls conditions are more serious. (Pages 119-121.)

(3) The "Pin Money" Fallacy: Contributions of Working Women to the Family Income.

Repeated investigations made by federal and state governments have proved that only a negligible proportion of wage-earning women are working for "pin money." The great majority work to support themselves, or assist substantially in the support of their families.

According to various estimates, one-quarter to one-fifth of the women workers of the United States work to support themselves away from home.

Of the 75 to 80 per cent. of working women who live at home, an overwhelming proportion contribute practically all their wages either to supplement the family income, or to support families in which there is no male wage earner. The wage-earning daughter who lives at home as a rule pays not only for her own support, but contributes towards the expenses of the non-wage-earning members of the family.

As to the proportion of women who are supporting families in which there are no male wage-earners, a recent typical state investigation of about 2,000 wage-earning women shows that two-thirds lived at home, and of these, twenty per cent. were members of families in which there was no male wage earner.

Thus the assumption that working women do not need to receive a living wage is based upon a fallacy, because (1) An ascertained proportion of wage-earning women work to support themselves alone, away from

home. (2) An ascertained proportion of those who live at home contribute towards the support of one or more persons besides themselves. (3) A third group works to support families in which there are no male wage-earners.

A Living Wage by Legislation. The Oregon Experience. Rev. Edwin V. O'Hara, *Chairman, Industrial Welfare Commission of Oregon. State Printing Department, Salem, 1916.*

Historically women entered industry to supplement the wages of their fathers, husbands and brothers. Conditions have changed and multitudes of women workers are now dependent on their own exertions for their own support, and in many cases for the support of dependent relatives. But the old theory that a woman's wage was merely supplemental to the family income has lingered on to the grave injury of thousands. Many employers and not a few others continue to rehearse the threadbare tales about women working for "pin-money" and girls "living at home" not needing a living wage. A final relic and instrument of the "sweating" system is the requirement still found in the application blanks of some firms that girls shall keep their wages "confidential." Secrecy of wage schedules has been a prolific source of underpayment among women workers and "pitiless publicity" will be one of its chief correctives. (Pages 20-21.)

Bulletin of the United States Bureau of Labor Statistics, No. 182. January, 1916. Unemployment Among Women in Department and Other Retail Stores of Boston, Mass.

Table 15 shows that of the 1,156 regulars 90.1 per cent. were single, and while 9.9 per cent. had been married, only 4.3 per cent. were living as wives at the time of this investigation. As shown by Table 16, 75.7 per cent. were living at home with one or both parents,

12.9 per cent. were living or boarding with relatives, 7.7 per cent. were boarding with strangers or friends, and 3.7 per cent. were women themselves at the head of the family groups. Table 14 indicates that most of the women employed in the retail stores are young, 63 per cent. being under 25 and 77 per cent. under 30, but because they are young and for the most part live "at home" it does not follow that they are sheltered by the paternal roof beyond fear of want. In fact, in a great many homes there were no male wage earners at all.

The women interviewed were classified according to the degree to which they depended upon their earnings. In the first group were the women totally dependent, meaning for the purposes of this investigation that there was nothing but public or private charity between themeslves and want if the earnings were cut off. The second group, designated as "principally dependent," were those who had families which could in an emergency provide room and board if the workers were temporarily out of work, but by so doing would lower their own standards of living. Many women in this group might actually be providing for themselves entirely and even helping others in the family, but they would have the advantage over those in the "totally dependent" class of having a home during temporary unemployment. In the third group were those only "partially dependent" on their earnings. This took in the women who had families which could provide them with room and board, but not clothing, if they were temporarily out of work, without actually lowering to any extent the family standard. The fourth group included those not dependent on their earnings for necessaries; in other words, women whose parents or relatives could provide them with board, lodging, and necessary clothing if they were not working. In practically all such cases, however, in order to supply themselves with the kind of clothes and the spending money which they desired, the girls were obliged to work. The number and per cent. of regulars in each of these groups is shown in the table which follows:

TABLE 17.

Degree of Dependency on Earnings of Women Employed as Regulars Only.

Degree of dependency on earnings.	Women reporting— Number.	Per cent.
Totally dependent	107	9.3
Principally dependent	976	84.4
Partially dependent	60	5.2
Not dependent for necessaries	13	1.1
Total	1,156	100.0

The great majority of the regular employees, 84.4 per cent., were classed as "principally dependent on their earnings" and the next largest group was those totally dependent on their own earnings, 9.3 per cent. being so classified. The group partially dependent had in it 60 women, or 5.2 per cent., and only 13 women, or 1.1 per cent., were found to be "not dependent for necessaries" on their earnings. This brings out clearly the fact that the overwhelming majority of women are not working for "pin money" or for the pleasure and excitement of the work, and that the earnings of a girl living at home are in most cases just as necessary to her as are the earnings of her brother to him. (Pages 33-34.)

As shown in Table 18, of the total number of women, 107 were totally dependent on their own earnings; that is, were without families that could support them even temporarily if they were out of employment. For these women any prolonged unemployment would mean debt, charity, or help from friends unless they had been able to save. Many told of struggles to get along during periods of unemployment, of small savings entirely used up, of the kind help of friends, or the tolerance of landladies, and of the burden of debt which they had been obliged to assume. There were 50.9 possible weeks of employment during the year for this group of women. They actually worked an average of 44.9 weeks and were unemployed six weeks. (Page 37.)

Degree of Dependency of Families on Earnings of Women.

Even after the unemployment of women in retail stores has been shown in relation to their earnings and to their degree of dependency on their earnings, there is still a further connection which must be shown in order to arrive at the full significance of unemployment. To what degree are families dependent on the earnings of the individual women scheduled? (Page 40.)

It was a fairly simple matter to determine whether a woman was the entire support of a family, or whether the family did not depend at all on her earnings. But in cases where the woman was only in part the support of the family, the range of dependency was so great that it was decided to divide such families into two arbitrary groups: First, those families in which the standard of living would be lowered if the woman did not contribute something to the family income; second, those families which depended on the scheduled woman for regular contributions normally amounting to at least one-fourth of the entire income of the family.

In the table which follows the number of women having families coming under the different classifications are shown:

TABLE 22.

Degree of Dependency of Family on Earnings of Women Employed as Regulars Only.

Degree of family dependency on women's earnings.	Women reporting— Number.	Per cent.
Totally dependent	29	2.5
Dependent on regular contribution of at least one-fourth of family income	433	37.4
Standard of living would be lowered if woman did not contribute	521	45.1
Not dependent for necessaries	146	12.6
No family	27	2.3
Total	1,156	100.0

The Pin-Money Fallacy.—United States

One hundred and seventy-three women, or 14.9 per cent., reported no family demands on their earnings; 29 women, or 2.5 per cent. of the entire 1,156, had families entirely dependent on their earnings; 521, or 45.1 per cent., had families who needed and had the financial assistance of the worker from time to time during the year; 433, or 37.4 per cent., were depended upon as regular contributors to the family support to the extent of at least one-fourth of the family income. Of the 29 women who were the sole support of their families, 23 had but 1 person besides themselves in the family, 4 had 2, and 2 had 3 in the family. Twenty, or more than two-thirds of these women, reported average earnings of less than $9.

Four hundred and thirty-three women contributed at least one-fourth to the family budget. This is not significant, however, unless it is also known how much the girl's contribution was and how many there were in the family.

. . . Without exception this group of women added their entire earnings to the family budget, getting from the common fund their own necessaries. The weekly earnings were computed by dividing the total amount earned in stores by the number of weeks during which there was some employment in stores during the year, making no deduction for days lost during such weeks.

. . . While the woman's contribution is at least one-fourth, it may be as much as one-half or three-fourths of the entire income, so while the families did not have as an average more than four times the amount of her earnings, there were many cases where they had less. As a matter of fact, the girl's contribution in a great many instances exceeded one-fourth of the total income. About twice as many women reported earnings of $7 to $7.99 as reported any other amount and more reported three persons in family besides themselves than reported any other number. . . . It is apparent from this table that the earnings of the individual can not be decreased or increased without affecting in a very material way not only the worker herself, but others dependent upon her. (Pages 41-43.)

United States Public Health Service, Bulletin No. 76. March, 1916. Health Insurance: Its Relation to the Public Health. B. S. WARREN, *Surgeon U. S. Public Health Service, and* EDGAR SYDENSTRICKER, *Public Health Statistician, U. S. Public Health Service.*

The entrance of women as wage earners into the modern factory, mercantile, and other mechanical establishments and offices is a factor in the problem of the health of the wage-working population, which is largely, if not entirely, due to economic pressure. According to the census of 1910, of the 8,000,000 women ordinarily termed "women in industry," nearly 37 per cent., or about 3,000,000, are engaged in various occupations in stores, mills, and factories. Practically every investigation of the reasons for the entrance of women into industry has shown that their presence in industrial occupations is almost wholly in response to the necessity for earning a living. Approximately four-fifths of women workers live with their families and contribute to the support of their families. They are, for the most part, the wives and daughters of the wage-earning heads of families. A number of investigations indicate that in fully one-tenth of the wage-earners' families in the United States the wife is a wage-worker. In certain industries the proportion of wage-earning wives and mothers is considerably higher. (Page 28.)

Bulletin of the United States Bureau of Labor Statistics, Number 175. Women in Industry Series: No. 5. December, 1915. Summary of the Report on Condition of Woman and Child Wage Earners in the United States.

Another fact tending to show that economic necessity is the cause for the presence of these girls and young women in the industrial world is the extent to which their earnings are looked upon as family property. Two of the reports show how many of the single women at work turned all of their earnings into the family fund.

Among the clothing workers the number and proportion of females 16 years of age and over who contributed all their earnings to the family fund were, for the different cities studied, as follows:

Number and Per Cent. of Female Workers 16 Years of Age and Over in the Men's Ready-Made Clothing Industry Who Contributed All Their Earnings to the Family Fund, by Cities.

City.	Number.	Per cent.
Chicago	526	90.1
Rochester	98	68.5
New York	566	92.3
Philadelphia	257	92.8
Baltimore	295	79.7
Total	1,742	87.7

Of 1,214 women employed in retail stores and living at home, 68.5 per cent. turned in all their earnings to the family, 26.9 per cent. turned in part, and 4.5 per cent. kept all for their own use. Of 3,370 female workers employed in factories and living at home, 77.2 per cent. gave in all their earnings, 21.5 per cent. gave part, and 1.4 per cent. kept all for themselves.

In the family studies made in connection with the four large industries, information was secured as to the average proportion of their earnings turned into the family fund by children 16 years of age and over, whether male or female. The earnings of the female workers and proportions contributed were as follows:

Number of Families With Female Children 16 Years of Age and Over at Work, Average Earnings of Such Children, and Per Cent. of Their Earnings Contributed to Family, by Industries.

Industry.	Number of families.	Earnings of female children 16 years of age and over.	
		Average.	Per cent. contributed to family.
Cotton:			
New England group	602	$321	96.6
Southern group	886	237	89.0
Men's ready-made clothing	1,352	263	93.2
Glass	929	204	86.4
Silk	1,048	283	96.0

It is evident that the amounts these workers retain for their own individual use are too small to account for their going to work. In the main their earnings go into the family fund, from which they are fed and clothed, but no part of which is looked upon as peculiarly theirs. (Pages 20-21.)

Bulletin of the United States Bureau of Labor Statistics, No. 167. April, 1915. Minimum Wage Legislation in the United States and Foreign Countries.

While there have been within a few years many local investigations of the wages and conditions of women wage earners, the Bureau of Labor Report on Conditions of Woman and Child Wage Earners in the United States has been most often cited as showing conditions throughout a wide area. Thus this report showed that in a group of 1,698 women employed in department and other retail stores in seven of the principal cities, 26.1 per cent. were without homes and entirely dependent upon their own earnings, and that of those living at home 68.5 per cent. turned in all of their earnings toward the family support. In a similar group of 5,014 women employed

in mills and factories in the same cities, 17.5 per cent. were found to be without homes and dependent upon their own earnings, and among those living at home 77.2 per cent. turned in all their earnings to the family. (Pages 17-18.)

Industrial Commission of Wisconsin. May 1, 1916. Cost of Living of Wage-Earning Women in Wisconsin. Investigation of 1913-1914.

The most striking fact shown by the investigation was the comparatively large amounts contributed to the family income by the wage-earning women living at home, and the large number of women and young girls who, through the death or disability of the natural head of the family, were forced to carry all or a large share of the burden of the family expenses. It is possible to gather statistics showing actual amounts paid for room and board by wage-earning women living away from home. It is practically impossible to arrive accurately at the obligation of the wage-earner living at home. The fact that out of 13,686 wage-earning women in the state living at home, exclusive of the married or the widowed, 5,278 or 38 per cent. reported that they gave all their earnings to their families, while only 294, or 2 per cent., reported that they gave nothing, does not furnish much evidence in favor of the "pin money" theory. In a great number of cases the wage-earning woman furnishes to the family the sole or main support, instead of contributing a somewhat non-essential supplement to the family income. (Page 14.)

Of the total number reporting, 1,356, or 7 per cent., were married or widows. Most of these were widows, or had husbands who were disabled or out of employment. Of 305 widows reporting the number in the family and the extent of dependency of the family, 239 had from one to six children, totally dependent upon them. Since the larger the family, the smaller each individual's share of the expenses, the widowed mother with a small family is forced to pay a larger subsidy to the industry

employing her daughter at less than a living wage than a man for one daughter out of a large family. . . .

In Milwaukee, out of 7,505 women reporting, 6,122, or 84 per cent. lived with their families. In 49 smaller cities 8,111, or 82 per cent. live at home. Of the women in the $6 to $12 wage-group in Milwaukee, 1,512 women, (exclusive of those giving all of their earnings) and 2,466 in the smaller cities, reported contributions to the family income. In Milwaukee, the average amount was $4 and in the smaller cities, $3.46 a week. However, the predominating amount contributed to the family by wage-earning women living at home was from $4 to $5.50 a week. In Milwaukee, 16 per cent. paid between $4 and $5; 21 per cent. $5 or over, making a total of 37 per cent. giving their families from $4 to $10 or over a week. In the other cities of the state, 17 per cent. contributed to their families $4 to $5; 17 per cent., $5 and over, making a total of 34 per cent. giving $4 to $7.50 and over.

These amounts contributed to the family approximate closely to the rates paid for room and board in non-self-supporting working girls' clubs, where larger groups, wholesale buying, and scientific management would reduce the cost to a point below that possible for an average family. This would tend to prove that in a large number of cases the girls' earnings had to be supplemented by the family in order to provide even food and lodging; and would tend to disprove the common theory held by many employers that for the wage-earning woman living at home a smaller wage is adequate. (Pages 14-15.)

Fourth Report of the New York State Factory Investigating Commission, 1915, Vol. I. Report of Commission.

Home Relations.

The explanation, and frequently the excuse, for the prevalence of low wages paid to women, is the assumption that they do not need to be self-supporting, but are living at home. The value of a worker should not be judged by the fact that she may be supported by another

member of her family. She is a unit in the industry in which she works, and for her labor the industry should pay her at least a wage adequate for self-support.

Our investigation shows that two-thirds to three-fourths of all women and girls employed are unmarried, but it shows clearly that they do not work for pin money. Women workers are in industry because they must be there either to support themselves, to eke out the earnings of other members of the family or because through accident or chance the entire burden of supporting the family has fallen upon them. Women who are widowed, divorced or deserted, women solely dependent upon themselves, girls whose fathers have died or are ill, are among this great army of workers in no small numbers.

In a special study of 1,300 individual women, it was found that 65 per cent. live with their families, 75 per cent. of whom turned all their wages into the family budget, and more than 20 per cent. paid board; 15 per cent. live entirely alone, or with strangers or friends. (Pages 36-37.)

Ibid. Volume IV. Appendix VII. Cost of Living in New York State. Frank H. Streightoff, *Professor of Economics, Depauw University.*

Traditionally the greatest event in the life of a woman is her marriage. A glance at Table VIII (Conjugal Condition of 1,937 Women Employed in Stores, and Candy, Paper-Box and Shirt Factories in New York City and Other Cities) will show that by far the greatest number of the women studied in this investigation are single. These unmarried women, indeed, are nine-tenths of the whole. . . . The married women in industry had largely been forced to earn wages. For of the 189 who had married, 75 were widows and 19 had been separated from their husbands. Twenty-seven others, who had been married gave no information as to whether their husbands were living or dead. It may be safe to infer that a large proportion of these were not living with their husbands, as, had they been doing so, the other questions on the cards should have elicited the fact. (Page 1488.)

Next in interest to the question of whether women are married or single is the place where they live. Table IX (Domicile of 1,937 Women Employed in Stores and Candy, Paper-Box and Shirt Factories in New York and Other Cities) has been prepared to show the homes of these women. . . . A few, only two per cent. of the entire number, lived with friends, and a considerable proportion, approximately one-seventh, are put down as living independently. This means that the woman was rooming with strangers or that she lived perhaps with her father or, more probably, with a sister in a boarding house, or in rooms, but that she maintained nothing approaching a family life. . . . Almost two-thirds of the women live at home. Most of these were in homes in which there was a man at work for wages, but approximately one-fifth of those who lived at home were in households which altogether lacked the natural support of a male over eighteen years of age. (Pages 1489-90.)

Finally, from Table X it is possible to draw this rather significant fact; ninety-three women were the sole support of their families; forty-five bore the entire burden of the maintenance of two or more individuals in addition to themselves. Frequently these others were children. . . . (Page 1494.)

Burden of Support.

Additional light is thrown upon the subject just under discussion by the facts recorded in Table XI. Of the 1,929 women, 1,207, or sixty-two per cent., claimed to be entirely self-supporting. Of these, five hundred had no other responsibility than their own maintenance; but nearly as many, 449, not quite a quarter of all the women interviewed, declared that they were obliged to contribute to the support of relatives. There were others, 127 in number, who made contributions to their families, although that did not necessarily imply that they were supporting others. So it can fairly be inferred that approximately a quarter of the women who contributed to the data now under analysis were actually helping in the maintenance of at least one other person. . . . Some

of the burdens placed upon these women are, as was shown in discussion of Table X, extremely heavy. Mrs. G, for instance, is a worker in a paper box factory in Albany; her wages vary from $4.50 to $8.25 a week, averaging, in her estimation, about $7.50. She is fortunate enough to be able to live with her aunt, who accepts $5 per week as payment for the board not only of Mrs. G, but also of her six-year-old son. Mrs. G probably could not get along were it not for the fact that her aunt frequently presents her with clothes for herself and the child. Formerly she had to help her husband, who is in a State institution being treated for tuberculosis. Even with this burden lifted her task is hard enough. Another woman, Mrs. K, earns about $10 a week, on which she supports an invalid father and an aged mother, as well as her two children of seven and twelve years. She is forced to draw upon the meagre savings left by her dead husband. (Pages 1494-95.)

But the support of others is not imposed on widows and married women alone. Bertha B in New York City from her $8 a week sends money to her widowed mother in Roumania; and Annie, a buxom lass from Pennsylvania, managed for some time to mail regularly from New York to her old home two dollars a week from a seven-dollar wage. She couldn't keep this up after it became necessary to buy clothing. It is needless to multiply illustrations of this character. The point is perfectly clear. Burdens obviously far beyond the economic power of many women and girls are thrust upon them. (Pages 1495-96.)

A survey of the tables presented in the earlier part of this report, showing the large proportion of workingwomen who are entirely self dependent and the numbers who aid in the support of others, will serve sufficiently to disprove that time-worn "pin-money" superstition. (Page 1588.)

Fourth Report of the New York State Factory Investigating Commission. 1915. Vol. V. Public Hearings.

Miss Mary Van Kleeck, Director of Investigations, Committee on Women's Work, Russell Sage Foundation:

. . . There are a few points I should like to emphasize on the conditions of work, showing the reason why the underpayment of women workers constitutes so serious a social menace, and I think that is that girls and women, characteristically in a large majority, are working not for themselves alone but they are working for their families; that primarily the wages of women are family wages rather than individual wages, and I think the evidence on that point may be cited in a number of directions. In the first place in the study that we made of woman's work in the bookbindery trade we found that in less than half of the households of bindery women were their fathers able to contribute to the support of the family; that these typical families were families in which much of the burden of the support fell upon the women workers; that the fathers were either incapacitated or they were dead and unable to contribute to support and that the grown boys were starting out and establishing homes of their own and that the support of the younger children, the support of the mother of the family or the incapacitated father fell very largely upon the women workers. Now in the United States Government study of women workers they investigated nearly 2,500 women here in New York in their studies of wage earning girls in the stores and in the factories and they discovered that of the women who were without homes forty per cent. were contributing to needy relatives and that of the women in their home eighty-four per cent. of those in stores and eighty-eight per cent. of those in factories gave all of their earnings to the family budget and that only three per cent. of the girls in stores and six-tenths of the girls in factories kept all of their earnings for themselves, showing decidedly that the earnings of women was a family matter. The report of the relief

committee following the Ashe fire shows case after case in which appeals were made and substantiated by investigation from families in which the chief support had been taken away, the chief support being a woman worker. Now in this same United States Government investigation they investigated four very large and important industries in this country employing women, silk, cotton, glass and men's ready-made clothing, and in each one of these industries they investigated some two thousand homes of the women workers and the evidence showing the number of persons in those families, the average number in the family, and the average number of wage earners is interesting. For silk for instance the average number in the family was a little more than six and the average number of wage earners, three. In the glass industry the average number in the family was 6.3 and the average number of wage earners three. In the cotton industry the average number in the family 6.6 and the average number of workers 3.7. In men's clothing the average number in the family 5.4 and the average number of wage earners 2.9. In other words in every one of these important industries in this country the number in the family of these women wage earners was double the number of wage earners, that is there were dependents to be cared for by the combined earnings of these wage earners. I think all of that evidence that I have just been quoting shows that there are dependents in these families and that inadequate earnings on the part of the women would result in a low standard of living for those families. Now there is absolutely no evidence on which to base the statement of the average length of time which women remain in industry. We have some evidence of the ages of women in industry and only 36 per cent. of the women employed in manufacturing in this country are under 21. That is some 64 per cent. are 21 and over and something like 11 per cent. are 45 and over. The evidence would now seem to show that they are not at all young girls by any manner of means but that they do stay longer in industry than the three or five years being quoted continually by persons who are merely guessing. (Pages 2801-3.)

Children's Bureau, United States Department of Labor, 1915. Infant Mortality. Results of a Field Study in Johnstown, Pa., Based on Births in One Calendar Year. EMMA DUKE.

In Johnstown, however, industrial occupations are not open to women, and but 3.1 per cent. of the mothers visited went outside their homes to earn money. All mothers who gained money by keeping lodgers or in any other way are, for convenience, designated "wage-earning" mothers, even though their earnings were not in the form of a definite wage at stated periods.

Although not industrially engaged, nearly one-fifth of the mothers did resort to some means of supplementing the earnings of their husbands. Usually they kept lodgers. This was done by the foreign mothers principally, exactly one-third of whom had lodgers, as compared with less than 1 per cent. of the native women. Usually work done outside the home consisted either of char work or of assisting husbands in their stores. Generally these stores were in the same building with the home.

When a mother of a young baby does not give her full time to her duties within the home but resorts to means of earning money, it generally indicates poverty. This is true to a greater degree in Johnstown than in places which have many inducements for women to work. In Johnstown, with its excess of males, especially in the foreign population, the woman's services are particularly needed to make the home.

In the group where the husband earns $10 a week or less—that is under $521 a year—many of the women are wage earners. In each group showing better earnings for the husband the number and percentage of wage-earning wives decline. Such a tabulation as the following almost automatically fixes the minimum wage on which a man, wife, and a child or two can live with any degree of comfort in Johnstown at about $780 a year. When the husband's wage is less than $780 a year, it is shown that the wives, in considerable number, must be wage earners. As shown in the next table, in nearly

half of the families where the husband earns $10 a week or less (less than $521 a year), the wife resorted to some means of earning money; when he earned as much as $900 a year, only 8.9 per cent. of the wives worked, and in the small group where the man earns as much as $1,200 a year, only 1 in 50.

TABLE 32.

Number and Per Cent. of Husbands With Wage-Earning Wives by Nativity of Wife and Annual Earnings of Husband.

Annual Earnings of Husband	Total Husbands			Husbands having Native Wives			Husbands having Foreign Wives		
		Husbands with Wage-earning Wives			Husbands with Wage-earning Wives			Husbands with Wage-earning Wives	
	Number	Number	Per Cent.	Number	Number	Per Cent.	Number	Number	Per Cent.
Under $521	233	111	47.6	36	9	25.0	197	102	51.8
$521 to $624	174	57	32.8	50	3	6.0	124	54	43.5
$625 to $779	229	51	22.3	86	4	4.7	143	47	32.9
$780 to $899	166	25	15.1	108	6	5.6	58	19	32.8
$900 to $1,199	146	13	8.9	98	1	1.0	48	12	25.0
$1,200 and over	50	1	2.0	39	—	—	11	1	9.1
"Ample"	493	20	4.1	399	3	.8	94	17	18.1
Total	1,491	278	18.6	816	26	3.2	675	252	37.3

(Pages 47-48.)

Women's Work and Wages in the United States. C. E. PERSONS, *Associate Director of the School for Social Economy, Washington University, St. Louis. Quarterly Journal of Economics, February, 1915.*

Investigation of the expenditure of earnings disposes effectively of the importance of the "pin money" worker as a determining factor in wages. Recent reports are a unit in declaring that such workers are the rare exception; too few to seriously affect the general situation. Further, the investigations show conclusively that the

larger part of the earnings of women living at home is turned into the family treasury. Thus in the Massachusetts report it is stated that 78.5 per cent. of the candy workers gave all they earned to the family; 20.3 per cent. gave part. Among store workers, where the result is not affected by the presence in large numbers of foreign workers, 61.8 per cent. gave all, 39.4 per cent. gave part. It is noted that the age runs higher among these workers. The laundry workers make a similar showing: 60 per cent. contribute all their earnings; 39.1 per cent. a part. . . .

It boots little to multiply illustrations, for the conclusion reiterated and enforced by the unanimous declarations of the investigation of many industries and localities, of the various nativity groups and races, and at all ages, is that the typical female workers are the 80 per cent. living at home and contributing the larger part of their earnings to the family treasury. The "pin money" worker is proven a false, if not a "vicious" theory. Twenty per cent. of the girls at most are independent workers. The remainder—a proportion great enough to be controlling—are constituent parts of a close-knit family group. (Pages 224-5.)

Report of the United States Bureau of Labor Statistics, No. 160. October, 1914. Hours, Earnings and Conditions of Labor of Women in Indiana Mercantile Establishments and Garment Factories.

Women Employed in Department and other Retail Stores.

Of the 711 women visited, 575 or 81 per cent. were living at home; that is, with their parents. In the majority of cases these women had only a share in the maintenance of the family, but in some instances the greater part of the burden rested on them. As this investigation did not go into the expenditure of earnings or income, no definite figures can be given on these points. Forty, or 5.6 per cent., of the women were living with relatives. Fifty-nine, or 8.3 per cent., were living on their own resources entirely. . . . The remainder, 5.1 per cent.,

were keeping house in their own homes. Many of these were the sole providers for the family, some had the help of children, some the intermittent help of husbands, and some worked only when the family found itself in need of additional income to tide over some emergency. Only a few had husbands working regularly. (Pages 9-10.)

United States Congress. Senate Document No. 645. Report on Condition of Woman and Child Wage-Earners in the United States. Vol. V. Wage-Earning Women in Stores and Factories. 61st Congress, 2nd Session, 1911.

Number and Per Cent. of Female Wage-Earners in Department and other Retail Stores, Factories, etc., living at home, who did or did not contribute to the Family Fund.

BOSTON

	No. reporting as to contributions	Per cent. contributing All	Part	None
Stores—Total	239	55.6	38.9	5.5
Factories—Total	478	61.7	36.4	1.9

CHICAGO

	No. reporting as to contributions	Per cent. contributing All	Part	None
Stores—Total	178	78.7	17.4	3.9
Factories—Total	268	81.3	17.2	1.5

MINNEAPOLIS AND ST. PAUL

	No. reporting as to contributions	Per cent. contributing All	Part	None
Stores—Total	94	47.9	44.7	7.4
Factories—Total	129	53.5	44.2	2.3

The Pin-Money Fallacy.—United States

New York

	No. reporting as to contributions	Per cent. contributing All	Part	None
Stores—Total	344	84.3	11.9	3.8
Factories—Total	1,532	88.1	11.3	.6

Philadelphia

	No. reporting as to contributions	Per cent. contributing All	Part	None
Stores—Total	264	56.8	39.0	4.2
Factories—Total	732	67.9	30.6	1.5

St. Louis

	No. reporting as to contributions	Per cent. contributing All	Part	None
Stores—Total	95	77.9	17.9	4.2
Factories—Total	231	74.9	21.2	3.9

(Summarized from tables on pages 19-21.)

It is doubted if anything in the whole report is more significant than the large percentage of the women wage-earners living at home who were turning into the family fund all their earnings. Of the women reported in New York stores 84.3 per cent. and of those in factories 88.1 per cent. contributed all their earnings; and in Chicago and St. Louis the percents were only slightly smaller.

It is true that there may enter into the large percentage for the factory workers the tendency among foreign-born families to regard children as an investment, to whose earnings the parents have a proprietary right so long as the children are under the parental roof. But in this connection it is significant that among the women in department and other retail stores, where the foreign element enters but slightly, the per cent. turning their en-

tire earnings into the family fund is not much smaller than among the factory and mill workers. This is shown to be the case in each city investigated except St. Louis, where a larger proportion of store women than of factory women contribute their entire earnings to the family fund. (Pages 18-19.)

What has this condition to do with the faith current among so many employers and accepted by the public that the girls who have homes work only for "pin-money"! It should be noted, of course, that manifestly the home girl must get back all the necessaries which the woman adrift must herself purchase, including the clothes, car fare, and incidental expenses for emergencies or amusements. (Page 21.)

In this keeping-house group also are found the largest number and per cent. (37.8) of women having others partially dependent on them for support, 101 women having a total of 183 persons whom they must assist, an average of nearly two per person. There is, of course, a wide range of the term "partially dependent," but most of the cases to which it has been applied, especially in this group, are those of two women, perhaps a mother and daughter or two sisters, supporting the other members of the family, who are thus classed as partially dependent on each of the working women. (Page 57.)

Only 75 per cent. of the St. Louis home store girls and 53 per cent. of the home factory girls visited have both parents living. The largest number of the remaining 25 per cent. and 45 per cent. are living with mothers only, of whom they are the chief support. This is not in accordance with the general impression that most women work only for "pin-money". A few live with sisters, and 1 per cent. of the store and 3 per cent. of the factory women live with husbands. (Page 186.)

Rhode Island Bureau of Industrial Statistics. Wages and Family Income in the Village of Lonsdale. Carol Aronovici. *Providence, 1912.*

The present study is the result of a careful house to house canvass made during the months of November and

December, of 1910, in what is known as the new village of Lonsdale, Rhode Island, for the purpose of securing data concerning the wages and maintenance responsibility of the workers in a typical cotton mill village in the State of Rhode Island. (Page 37.)

The figures indicating the average earning of wives in the cases where both husband and wife are engaged in gainful occupations show that they average $8.67 per week, and that in three instances the women earn more than the men. In the cases where women are the main support of the family the average earning is only $7.30 per week. Of the former there are 34 cases and of the latter there are 15 cases. There is also one case in which the husband had died and the wife was at work on a wage of $9.50 per week. All together, there are 50 families (out of a total of 296) in which the wife or some other female member of the family contributed either the largest or at least a considerable part of the family income. (Page 53.)

The average income per family increases with the number of persons in the family, but that increase depends as has been said upon the number of workers. On the whole the wages are low and indicate a level of individual earning which is not suited to proper family support without the assistance of other members of the family. (Page 55.)

Report of the Massachusetts Commission on Minimum Wage Boards, 1912. House Document, No. 1697.

In the opinion of the commission the number who are working in order simply to add to their comforts or luxuries is insignificant. Women in general are working because of dire necessity, and in most cases the combined income of the family is not more than adequate to meet the family's cost of living. In these cases it is not optional with the woman to decline low-paid employment. Every dollar added to the family income is needed to lighten the burden which the rest are carrying. (Page 17.)

Wages of Women in the Candy Factories.

It has been frequently stated that the girl or woman who lives at home does not need the same wage as a woman who is entirely self-dependent. It is true that co-operative living is cheaper than living alone, but it is fair to question how great that difference is. The woman at home has the same expenditure as the woman adrift, for clothing, car fares, dentistry, doctor's fees, medicine, church, recreation, and for savings for old age and burial, and for savings against sickness and shutdown of employment. Her family will care for her when she is sick or laid off, but she too must bear in turn her share of the expense of the sickness and lack of employment of the other members of the family. Her outlay for this is larger even than that of the girl adrift, for she must bear, in addition to her own share, her proportion due to the illness of the mother and sometimes of a grown-up brother or sister, and of the children who are not wage-earners. Time and again in the investigation girls were met who were helping to support a comparatively young father industrially disabled by rheumatism or some chronic trouble.

The saving of co-operative living comes in the items of rent and food.

The cost of management, preparation and service in the home lies in the maintenance, clothing and general expenses of the mother, of which the adult daughter must bear her share. (Pages 78-79.)

The girl who lives at home and works for "pin-money" is the rare exception. One and two-tenths per cent. of the candyworkers gave none of their wages to the home, and 78.5 per cent. gave all they earned; 20.3 per cent. gave a part. In the 1910 federal investigation of one-half as many workers in the factories of all description in Boston, 1.9 per cent. gave none of their earnings to the home, 61.7 per cent. all and 36.4 per cent. a part. (Page 79.)

Both investigations dispose conclusively of the pin-money argument. The manufacturers questioned on this point agreed that the candyworkers living at home needed

all their wages and were dependent upon them. No one at all conversant with the facts believes that any proportion of the women workers do not need every cent they earn. (Pages 79-80.)

The adult daughter living at home needs the same wage as her sister who is adrift. She ought not to have to live on her father, who for so many years has supported her or supplemented her earnings. It is reasonable for her to pay in full measure for the cost of her board and lodging including some of the mother's expenses. It is only the mother's labor that enables the cost of the household to be brought so low. She cannot lean on her over-burdened father for clothing, car fares, recreation, church, doctors and medicine, dental care and insurance. (Page 84.)

Wages of Women in the Retail Stores.

In general, one fact stands clear: throughout the cities of the state about one-quarter of the women workers in stores are dependent on their own resources. Again the question arises as to the economy to society of a scale of wages that is fixed on the basis of the need of women living with their fathers in disregard of one-quarter of the workers. Moreover, those who decrease their expenses by co-operative living at home have to bear, as the table on page 138 shows, more than their share of the whole cost of the family group, for in all but 5 per cent. of the families there were one or more persons who were not contributing to the family income, and who had to be carried by the wage-earners. (Page 134.)

The preceding tables show, as with the candyworkers, the folly of the idea that the 397 women who lived at home in a broken family, and carried the absent man's burden, economized by co-operative living. That was true for only 61 women, or 15.3 per cent. These women were living with relatives, who were also wage-earners. The large majority, 336, or 84.6 per cent., offset the economy of co-operative living by their effort to support, with the help of one or more other women workers, a family of varying size. Seventy of them or 17.6 per cent. of all the women of this class, did not economize at all by

co-operative living, as they were the sole dependence, save for charity, of from two to nine persons.

The uneven proportion of the number of workers to the number to be supported in the normal home is the same as among the candyworkers, except that there are a large proportion of families supported by one man with the help of one woman.

The pin-money theory is even more conclusively disposed of in the case of the store girls than of the candyworkers. There were not enough foreigners to give ground to the argument that the custom of handing over the pay envelope accounted even in part for the 61.7 per cent. who did so. The greater age of the store employees explains why a large proportion, 34.9 per cent., turned over only a part of their earnings. The remainder, beyond the share for board and lodging, they managed for themselves. The pin-money workers were only 3.3 per cent. of the 2,276 workers who reported. (Page 140.)

Artificial Flower Makers. Mary Van Kleeck. *Russell Sage Foundation Publication, New York, 1913.*

For the remaining 169, or 97 per cent. of the group, who lived with their families (including the 10 married women), the protection given them by the home brought with it a more or less heavy share of responsibility for maintaining the household. In the 128 families under discussion were 807 members, and 545 of these contributed in some way to the family budget. In only 93 of the 128 families was the father living and at home, and even in those cases he was not always a wage-earner; in 29 cases the father was dead; in six he was not living with his family; and in eight he was ill or too old to work. (Pages 74-75.)

No one who wishes to understand the causes of poverty can safely neglect consideration of the wages of working girls who "live at home," and whose low wages because they do so are regarded complacently by men and women who lack a comprehending knowledge of the responsibilities of daughters in such homes. (Page 80.)

The contribution of girls to their families is not lim-

ited to their wages, for in the evenings they are obliged to help with the housework, to sew, and to wash their clothes. "Men don't have to work as hard as women," said a married woman who after a nine-hour day in a shop makes her children's dresses at home at night. Two young Russian flower makers, refugees from Odessa, whose mother was dead, did almost all the housework in the evening for a household of six, including their father, who was a painter, their grandmother, a younger sister of school age, and a boarder. (Pages 84-85.)

Practically all these flower makers who live at home turn their entire earnings into the family purse. The mother or the head of the household then uses it for living expenses, giving the girls the money which they must have for carfare and lunches. Rent is the first item to be paid. The remainder is stretched as far as possible over food, clothing, insurance, and other important items, and an occasional expenditure for a trip to Coney Island or a ticket to a moving picture show. We found no flower maker living at home who did not give the bulk of her earnings to the household. In other words, we found no "pin-money workers". Low wages paid to these women who live at home have far more serious consequences for the community than the loss of the finery for which working girls are sometimes supposed to be spending their strength in factories. (Pages 86-87.)

Women in the Bookbinding Trade. Mary Van Kleeck. *Russell Sage Foundation Publication, New York, 1913.*

The foundation of this report was the industrial history of 201 women workers in the trade, combined with data secured from all the binderies in Manhattan. (Page 6.)

The girl who lives at home is typical of an overwhelming majority of bindery girls. Even a cursory description of these family groups shows how important is the gainful employment of women in its relation to the maintenance of the household.

Thus 193 of the 199 bindery girls here considered

lived at home, but in only 55 per cent. of the families was the father the head, while in 30 per cent. the father was dead or away from home and the direction of the household devolved upon the mother. In 12 per cent. the bindery girl lived with some other relative and in three cases she was a wife, not only managing her own home, but contributing to it her weekly wages. Only six were boarding alone away from relatives. Even when the father is nominally the head of the household he is not always contributing to the family support. In 48 families the father was dead, in seven he was not living at home, because of illness or because he had deserted the household, while in five he was at home and was regarded as the head of the family, although illness or age prevented his working. In only half the households of the bindery women interviewed was the father a contributor. (Pages 86-88.)

Data about these girls' mothers have shown that a woman must often continue to work for wages after her marriage. Before marriage, the bookbinders' earnings are of great importance to their families. Practically every bindery girl interviewed gives all her earnings to the family each week, receiving back again the sums needed for carfare, lunches, and incidental expenses. A weekly income of $8.00 a week hardly suffices to support a single person in New York City and is a scanty allowance when part of it must be used to help support children and other dependents in the household. Yet more than 50 per cent. of the bindery women are receiving a smaller wage than that amount, and in dull season their income is still further reduced. (Pages 99-100.)

The American Girl in the Stockyards District. An investigation carried on under the direction of the Board of the University of Chicago Settlement and the Chicago Alumnae Club of the University of Chicago. Louise Montgomery. *University of Chicago Press. 1913.*

The 900 families who form the back ground of the study have been known to the University of Chicago Set-

tlement for a period extending into the past from one to eight years. . . . Within this group of 900 families, 500 girls were selected from whom it was possible to obtain with a fair degree of accuracy the information needed to throw light upon the topics under consideration. (Page 1.)

The girl begins her work in response to the family standard that demands the wages of children, and she remains amazingly docile in supplying the family need. "Economic independence" for the woman in a sense conveyed by the modern use of these words is as yet unknown and incomprehensible. It follows that what the girl earns is easily appropriated by the parents and, broadly speaking, obediently surrendered by the girl. Among the three hundred girls between sixteen and twenty-four years of age, there are 290 who have no independent control of their own wages. That is, what they earn goes into the common family fund and they receive back again from the mother what she decides they require for carfare, lunches, amusements, and clothes. (Page 57.)

Report on the Wage-Earning Women of Kansas City. Board of Public Welfare, Bureau of Labor Statistics, Kansas City, 1913.

Information was obtained from 912 of the girls living at home or with relatives showing the per cent. of their wage contributed to the family; 206 or 22 per cent. contributed all of their wages to the family, 249 or 27 per cent. stated that they paid part of their wages into the family, but were unwilling to state what part. Three hundred and fifty-eight paid less than their total earnings into the family, the average amount paid in being from $3 to $4 per week, while their average wage was from $6 to $7 per week. Eighty-four, or 9 per cent., paid nothing into the family. These figures explode any notions that many girls living at home go into the shops in order to earn "pin-money"; a majority of them pay as much or more into the family as they would have to pay if they were boarding out, but there may be enough "pin-

money" girls to help depress the wages of necessitous workers. (Pages 62-3.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage-Earners in Oregon With Special Reference to Portland. CAROLINE J. GLEASON. *Portland, Oregon, 1913.*

A fallacy maintained by the managers and used as an excuse for their low wage scales is that girls who live at home do not need as much money as girls who are boarding. Many go so far as to require that a girl be living at home before they will employ her. The argument against this is that the girl at home surely eats three meals a day, as the girl adrift is supposed to do, and food for the former costs as much as for the latter. If she is receiving only enough to pay for her clothing, who pays for her food and laundry? If her parents or her guardians do, are they not contributing just that much toward the revenues of the store? and if she is a "charity girl" who pays for her lunches with the loss of her virtue, can she not hold the department store more heavily her debtor than do the parents of the virtuous girl? Table 2 on page 21 shows that the average wage of the girl adrift is $21 a year more than the average wage of the girl living at home, but the same table also shows that the girl adrift has an annual deficit of $91.85 and no home to rely upon for payment of it; $145.86 is the annual deficit the department store girl at home would have to face, did she pay room and board fees, as does the girl adrift. (Page 27.)

Report of Special Commission to Investigate the Conditions of Wage-Earning Women and Minors in the State of Connecticut, 1913.

The amount of their contribution to the family income was asked of 923 women in the corset industry who lived at home and who were personally interviewed. Of the

total number reporting 74 per cent. contributed all of their earnings, 24.27 per cent. contributed a part and 1.73 or 16 out of 923 women kept their wages entirely for their own use. (Page 129.)

The amount of their contribution to the family income of their earnings was asked of 770 women in the metal industry who lived at home and who were personally interviewed. Of the total number reporting, 66.24 per cent. contributed all of their earnings, 33.11 per cent. contributed a part of their earnings and .65 per cent. or five out of 770 women kept their wages entirely for their own use. (Page 201.)

The amount of the contribution to the family income of their earnings was asked of 307 women in the rubber industry who lived at home and who were personally interviewed. Of the total number reporting 65.15 per cent. contributed all of their earnings, 34.53 per cent. contributed a part of their earnings and one out of 307 women kept her wages entirely for her own use. (Page 216.)

Report of the Kansas Department of Labor and Industry, 1913.

The inspector was unable to obtain full information as to the living conditions of all of these (women) wage earners, but definite information was obtained on 1794, of whom it was found that 1625, or over 90 per cent. were living at home, while only 169, or not quite 10 per cent. were living away from home. Of this 1794 women it was found that 34 per cent. were self-supporting only, while 22 per cent. are only partially self-supporting, receiving assistance from their families in addition to the wages earned; 790 women, or 44 per cent. were found who were obliged to support themselves and assist in the support of their families, and of this number 582, or nearly 74 per cent. received less than $9 per week. While this report shows the living conditions of only a little more than two-thirds of the women covered by the wage tables, it contains a number of women in each of the establishments investigated in the various lines of indus-

try and in the different localities, and we believe if full reports were obtained from the rest of these women the percentages shown above would show approximately the same results. (Page 23.)

Report of the Industrial Welfare Commission of the State of Washington on the Wages, Conditions of Work and Cost and Standards of Living of Women Wage-Earners in Washington. CAROLINE J. GLEASON. *Olympia, Washington. 1914.*

Among several causes that tend to keep the single and younger woman's wages below a standard of decent living, one stands out prominently. This is the idea, prevalent with employers, that the majority of young women live at home and work for pleasure or merely for pin money. Tables 33 to 35 inclusive throw light on the question of the number of girls who are supporting themselves away from home and at home on what wages they are doing it. For the purpose of conciseness all girls who reported that they were rooming in single rooms, rooming and boarding, or doing their own housekeeping are classified as "Adrift".

TABLE 33.

Showing Residence of 2,728 Female Employees in Five Cities Arranged According to the Population and Classified as at Home and Adrift.

City.	Per Cent. At Home.	Per Cent. Adrift.
Everett	80.3	19.7
Bellingham	68.4	31.6
Tacoma	69.2	30.8
Spokane	56.1	43.9
Seattle	54.4	45.6
Totals	63.3	36.7

(Page 85.)

TABLE 35.

Showing Residence of 3,058 Female Employees in Five Cities at Home and Adrift.

	Under $6	$6 to $7.95	$8 to $9.95	$10 or over	Total under $10	Totals No.	Totals %	% of Totals under $10	% of Totals $10 or over
At Home	264	551	439	462	1,254	1,716	56.1	67.9	38.
Adrift	78	206	305	753	589	1,342	43.8	31.9	61.9
Totals	.....	.....	.....	1,215	1,843	3,058	.....	.....	.....

Table 35 has a volume of interest within it. This table gives the wages of 3,058 girls, classified as At Home and Adrift. Of these fifty-six per cent. are living at home and 43.8 per cent. are adrift. 1,843 of the girls are receiving under $10 a week and 1,215 are receiving over $10. Of the 1,843 under $10, over two-thirds, 68 per cent., are living at home and nearly one-third, 32 per cent., are adrift. Of the 1,215 earning $10 or over, one-third, 38 per cent., live at home, and less than two-thirds, 62 per cent., are adrift. Of the 1,716 employees living at home, 1,142, or 66.4 per cent., reported that they contribute a definite amount of their earnings to the family income. These figures would seem to disprove the "pin money" theory. (Page 87.)

(4) Underpayment a Root Factor of Poverty.

Authorities agree in the opinion that low wages are a root factor in poverty and in the consequent lowering of the standards of living.

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of Henry R. Seager, Professor of Political Economy, Columbia University.

The sweating system is a comprehensive term for describing any situation in which the worker is at such a disadvantage that he is forced to work long hours under unsanitary conditions for starvation wages. (Page 641.)

Since low wages are the heart of the evil any remedy to be effective must address itself directly to the wage problem. This is what the minimum wage does. It aims to cure the evil at its source. Any other remedy for the sweating system is at best a palliative. (Page 642.)

The Underlying Principles of Modern Legislation. W. Jethro Brown, *Professor of Law, University of Adelaide, South-Australia. 3rd Edition, London, Murray, 1914.*

The insufficient wage is first among the reasons why so large a proportion of the population is living below the poverty line. (Page 298.)

While wages have risen and hours of labour have shortened whole classes of the community have failed to receive any share of these gains, and the total bulk of poverty has in all probability increased—and that despite a period of great if not unexampled prosperity and of unparalleled private and public philanthropic effort, despite slumming, settlements, funds, General Booth's schemes, and the like. As a people we are slow to recognize the need of reform, more especially when reform requires the action of the State. But it is becoming increasingly clear that, as long as the policy of the Factory Acts is limited to the hours and conditions

of labour and is not applied also to the rate of wage, some of the gravest evils that prey upon our national life will never be overcome. (Page 301.)

Wage Earners' Budgets. A Study of Standards and Cost of Living in New York City. LOUISE B. MORE. *Henry Holt & Co., New York, 1907.*

From an economic standpoint, however, the amount of income is the most important factor in determining the standard of comfort attainable in an average workingman's family. (Page 270.)

Homestead: The Households of a Mill Town. MARGARET F. BYINGTON. *The Pittsburgh Survey. Russell Sage Foundation Publication. New York, 1910.*

As a permanent basis for American life, we must look to a larger budget. (Page 182.)

Brief for a Proposed Minimum Wage Law for Wisconsin. Prepared under the direction of JOHN R. COMMONS. *Wisconsin Consumers' League. Madison, 1911.*

All the protection afforded to the laborer as debtor, creditor, wage-earner, and wage-bargainer in the matter of hours of labor, sanitation, and methods of payment do not avail unless he receives wages sufficient to maintain himself and those dependent upon him in the necessary comforts of life. (Page 17.)

Poverty: A Study of Town Life. B. S. ROWNTREE, (*Director in the Firm of Rowntree and Co. Ltd., Manufacturers of Cocoa*). *Macmillan, London, 1901.*

Particulars were obtained regarding 11,560 families. (Page 26.)

Underpayment a Root Factor of Poverty.—Great Britain

On analyzing the cases of "primary" poverty in York, we find that they are immediately due to:

No. of Households Affected.	Immediate Causes of Primary Poverty.	Percent. of Total Population Living under Primary Poverty Line.
38	Chief wage earner out of work	2.31
51	Irregularity of work	2.83
640	In regular work but at low wages	51.96

(Page 120.)

British Sessional Papers. Vol. VIII. 1908. Report from the Select Committee on Home Work.

It is doubtful whether there is any more important condition of individual and general well-being than the possibility of obtaining an income sufficient to enable those who earn it to secure, at any rate, the necessaries of life. (Page XIV.)

Women in Industry from Seven Points of View. Legislative Proposals. CLEMENTINA BLACK. *Duckworth & Co., London, 1908.*

Underpayment, indeed, is the root of the whole industrial problem. It is really a more pressing and vital question than that of unemployment. We could succeed in grappling with the really unemployed if we were not embarrassed by the half-employed and the inadequately paid. . . . The cause is not in the least mysterious. Underpayment is a direct and quite inevitable result of unrestricted competition in the buying and selling of labour. Wherever that unrestricted competition prevails, the ultimate price of any industrial process comes to be the lowest rate at which any worker will consent to perform that process. Whenever all workers are receiving a higher rate, it is because competition has somewhere and somehow been arrested in its course. (Pages 190-191.)

Underpayment a Root Factor of Poverty.—Great Britain

State Regulation of Wages. EDW. R. PEASE. *International Magazine, London, May, 1909.*

The demand for state regulation of wages is based on the somewhat obvious truth that the best way to mitigate the evils produced by poverty, which all deplore and all desire to remedy, is to prevent poverty. The poor are poor because they are paid low wages for their work, and the squalor of their lives, their insufficient food and abominable clothing, the excessive mortality of their infants, the diseases and dirt of their children, are all due, primarily, secondarily, and simply to their poverty—that is, their insufficient wages. (Page 96.)

Women's Wages. DOROTHY ZIMMERN. *The Women's Industrial News. London, July, 1912.*

A very considerable proportion of our women, and by far the greater number of our working women, pass through wage-earning occupations between the ages of 14 to 20 or 25. Now this period is a very critical one for their development in every direction, and lays a permanent foundation of good or ill in the future; therefore, the amount of money which is at the disposal of girls at this time of their lives for the satisfaction not only of their physical, but also of their intellectual and moral needs, is of the utmost importance to their own well-being and to that of the next generation, and is worthy of the most careful consideration. (Page 49.)

National Conference on the Prevention of Destitution, London, 1912. Section, Unemployment and Industrial Regulation. CONSTANCE SMITH.

Those who had most strenuously supported industrial regulation had long felt, she believed, that industrial regulation must go forward to secure a legal minimum subsistence because it was the attainment of a living wage which lay at the root of our future industrial well-being. (Page 401.)

Ibid. The Work of the Trade Boards. J. J. MALLON.

It is unnecessary to show the ultimate dependence of social reform upon the reasonable remuneration of the worker. Except insofar as they raise the wages of the very poor, schemes of public improvement are destined to fail, and justice and expediency are alike served by their failure. We are driven, therefore, necessarily to consider the question of low wages. (Page 402.)

The Right to a Living Wage. L. T. HOBHOUSE. *The Interdenominational Conference of Social Service Unions, Swanwick, 1913.*

A society in which a large proportion of honest and industrious workers are unable to secure continuous employment at a wage which will maintain a family in a condition compatible with the requirements of physical health is fundamentally an ill-organized society; it has failed to secure a primary condition of healthy social life, and a society which sits down passively under such conditions and lets them alone is not only an ill-organized society but one which has lost faith in itself or is dead to its responsibilities. Hence it is that the problem of the living wage lies at the foundation of social life. (Page 64.)

Sweated Labour and the Trade Boards Act. Catholic Studies in Social Reform—Manual II, Edited by the Rev. THOMAS WRIGHT. *P. S. King & Son, London, 1913.*

The question of sweating is a question of wages, and to trouble about an amelioration of sanitary conditions and excessive hours of work so long as the wage question remained unanswered is akin to worrying about the trimming of the beard when the face of society is bruised and gashed. (Page 12.)

The Case for the National Minimum. Printed for the National Committee for the Prevention of Destitution. London, 1913.

The Legal Minimum Wage.

The problem of wages is the most live and important issue in social politics today. Old Age Pensions, Labor Exchanges, State Assistance for the Sick and Unemployed, Housing Schemes, School Feeding, and other forms of provision for special sections of the wage-earning class are desirable, even imperative, but the *root factor in destitution is the factor of low wages,* and until that is dealt with no substantial improvement in social conditions can be expected. In every department of social progress, public health, housing, education, and child nurture, the path of immediate advancement is found to be blocked by the prevalence of low wages. (Page 1.)

The Living Wage. Philip Snowden, M. P. *Hodder & Stoughton, London, 1913.*

The cost to the individual and to the community of the poverty which is caused by inadequate wages cannot be estimated. We pay for it in infantile deaths, in the crippled and damaged bodies of the children who survive, in the inadequate return we get from the expenditure on education, in the creation of unemployables, in sickness and loss of work, in consumption and other diseases, in pauperism, in the cost of public and charitable institutions for the support of the sick, the poor, and the insane, and in the incalculable loss of industrial and mental inefficiency. (Page 49.)

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1914.*

What is important to notice, however, is that the proposal to establish minimum rates of payment was defi-

nitely rejected by the Committee of 1888 to 1890. But the low wages of the workers were the key to the situation, and almost all the other evils described by the Lords in their report flowed ultimately from the single fact that the workers could be enforced to accept any payment which the employer dictated rather than face the loss of employment. Because wages were low they could not organize: "3d. a week to the union . . . is a loaf".* Because wages were low they were constantly in debt to the middleman or shop-owner, who used the hold which this gave him to reduce wages still further. Because wages were low, women and children were obliged to supplement the earnings of their husbands and fathers. Because wages were low the workers were underfed, living on "bread and a drop of tea";† and because they were underfed their earnings fell still lower, for one cannot make chain all day on bread and tea. (Page 24.)

* Third Report of Lords' Committee on Sweating System, 1889, 18,556, 19,342.

† *Ibid.* 19,131

(5) Underpayment Destroys Reasonable Competition Among the Workers.

The real purpose and effect of minimum wage legislation is not to restrict, but to open the way for, and preserve reasonable competition among the workers. When no limit exists below which wages may not fall, the laborer's freedom is in effect totally destroyed. He has no reserves upon which to draw and hence must accept any terms, regardless of his value. Such wages are not fixed by fair competition but have been called "a forced sale of value" (Mr. A. J. Balfour). Such a "forced sale" does not represent the true value of the services rendered nor the true market value of wages. The establishment of a minimum wage by enabling the workers to live in health and frugal decency provides the possibility of fair competition.

A Living Wage by Legislation. The Oregon Experience. Rev. Edwin V. O'Hara, *Chairman, Industrial Welfare Commission of Oregon. State Printing Department, Salem, 1916.*

The classic definition of a living wage is that given by Pope Leo XIII in his celebrated Encyclical Letter on "The Condition of Labor," published just twenty-five years ago (May 15, 1891). The whole of this remarkable document will repay careful study. I shall confine my quotation to a single passage:

"We now approach," says the great Pontiff, "a subject of very great importance and one on which, if extremes are to be avoided, right ideas are absolutely necessary. Wages, we are told, are fixed by free consent; and, therefore, the employer, when he pays what was agreed upon, has done his part and is not called upon for anything further. The only way, it is said, in which injustice could happen, would be if the master refused to pay the whole of the wages, or the workman would not complete the work undertaken; when this hap-

pens the State should intervene to see that each obtains his own, but not under any other circumstances.

"This mode of reasoning is by no means convincing to a fair-minded man, for there are important considerations which it leaves out of view altogether. To labor is to exert one's self for the sake of procuring what is necessary for the purpose of life, and most of all for self-preservation. Therefore, a man's labor has two notes or characters: First of all it is *personal;* secondly, a man's labor is *necessary;* for without the results of labor a man cannot live. Now, if we were to consider labor merely so far as it is *personal,* doubtless it would be within the workman's right to accept any rate of wages whatever; for in the same way as he is free to work or not, so he is free to accept a small remuneration or even none at all. But this is a mere abstract supposition; the labor of the working man is not only his personal attribute, but it is *necessary;* and this makes all the difference. The preservation of life is the bounden duty of each and all and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by work and wages.

"Let it be granted then," continues Pope Leo, "let it be granted then that as a rule, workman and employer should make free agreements and in particular should freely agree as to wages; nevertheless," (and this is the conclusion), "nevertheless, there is a dictate of nature more imperious and more ancient than any bargain between man and man, *that the remuneration must be enough to support the wage earner in reasonable and frugal comfort.* If through necessity or the fear of a worse evil the workman accepts harder conditions because an employer or contractor will give him no better, he is the victim of force and injustice. (Pages 4-6.)

We may observe in passing that minimum wage legislation does not really interfere with freedom of contract. The reverse is the truth. As Justice Higgins justly observes:

"The imposition of a minimum wage implies of course, an admission of the truth of the doctrine of economists of all schools, I think, that freedom of contract is a misnomer as applied to the contract between the employer and an ordinary individual employee. The strategic position of the employer in a contest as to wages is much stronger than that of the individual employee."

To speak of freedom of contract under such circumstances is the height of irony. The purpose of minimum wage legislation with its conferences or wage boards is to substitute to a limited degree a system of compulsory collective bargaining which will give to the contract between employer and employee some character of freedom by placing the contracting parties on a comparatively equal basis. (Page 14.)

Principles of Labor Legislation. JOHN R. COMMONS *and* JOHN B. ANDREWS. *Harpers, New York, 1916.*

Minimum wage legislation marks a new stage in the long line of attempts to equalize the power of employer and employee in making the wage bargain. In contrast with conciliation and arbitration, either voluntary or compulsory, which take place only after a demand has been made by one party and refused by the other, minimum wage laws seek to regulate the wage rate before any dispute over the terms of the wage bargain has arisen. Moreover, interference by the state between the parties to the wage bargain through conciliation or arbitration usually implies the organization of the workers and the existence of collective bargaining.* But in any modern industrial community large numbers of unorganized workers are found, still bargaining individually, employed at low wages and apparently unable to make any effective efforts themselves to improve their condition. If they are to be helped toward an equality in bargaining power with the employer, the state must take the initia-

* The industrial courts of Europe, previously described, employ conciliation in both collective bargaining and individual contracts.

tive. This it does by setting standards below which wages may not be depressed—in other words, by passing minimum wage legislation.† (Page 167.)

The almost entire absence of strong labor organizations and collective bargaining among this group of wage-earners is an important factor in producing the low wage scale. Many are women who are often members of a family group, unable to move from place to place in search of better opportunities, but remaining at home to overcrowd the few lines of work available in a given locality. Then, too, the majority of women workers are young and inexperienced and their frequent withdrawal from industry on marriage makes them look upon their work as only temporary. On the whole, it has been extremely difficult to form stable unions among women workers. (Pages 169-170.)

Another reason for the low wage scale, largely the result of the first, is the cutthroat competition of the workers for work. Among the unskilled, unorganized workers, the wage that the cheapest laborer, such as the partially supported woman, the immigrant with low standards of living or the workman oppressed by extreme need, is willing to take, very largely fixes the wage level for the whole group.

A third reason, the obverse of that just discussed, is the absence of active competition among employers for workers. With a plentiful supply of the lower grades of labor continually seeking employment, the employer need offer no inducement in the form of higher remuneration in order to fill his shop. . . .

Minimum wage legislation, therefore, may answer the demands of social policy in two ways. By setting a barrier below which wages may not fall, it lightens the pitiful poverty and prevents the degeneration in body and spirit of those forced to live on a wage too small to supply the necessaries of life. Competition among them no longer takes the form of offering to work for lower

† Modern minimum wage legislation is not comparable to the mediaeval fixing of wages by justices of the peace, which prescribed not a minimum, but the actual rates to be paid. See "Coercion by Government," p. 141.

wages, but that of developing greater efficiency. At the same time employers are forced to compete in efficiency of management, thus securing for society at large the many advantages of constantly improved methods of production. Minimum wage laws attempt neither to destroy competition nor to fix wages by law; they merely seek to set the lower limits to both in the interests of society as a whole. (Pages 170-171.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Report of Commission.

The arguments in support of wage legislation may be summarized as follows:

It must be remembered that there is ever in our midst as a result of economic conditions an army of unemployed. This tends to keep the wages of the so-called unskilled workers at the lowest possible level, and thus, by leaving the wage question to the "law of supply and demand," we permit of a most perfect system of exploitation. (Pages 42-43.)

If it is desirable in the interest of the State to protect its citizens from exploitation, there is the same justification to prohibit employers from paying excessively low wages as for other modern restriction, such as the prevention of the employment of women for more than a specified number of hours per day or at night, or in unsanitary workshops. Low wages are an outgrowth of bad economic conditions. The value of the work done is not considered at all in the hiring of such workers. What the deciding point is is the need of the individual. (Page 46.)

Ibid. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of Eugene E. Agger, Professor of Political Science, Columbia University.

The isolated laborer whose position is rendered weak by ignorance, relative incapacity or physical disability,

is of necessity limited in his bargaining with his employer to what the employer will offer. The laborer's minimum tends to be dictated by his own urgent necessities rather than by any conception of the real value of his services. In his competition with others therefore, fearing the disaster of unemployment, he tends to be pushed lower and lower down in the economic scale. (Pages 598-599.)

Statement of John H. Gray, Professor of Economics, University of Minnesota.

I think nearly all men in my line of study have come to the conclusion that, desirable as it is to preserve competition wherever possible, competition is no longer to be trusted to protect the individual where the competition is, on the one hand, between as large business units as we have, and, on the other hand, between as weak members of society, economically considered, as women and children; and any attempt to apply the old doctrine with its concomitant of freedom of contract, in this particular instance, is sure to be disastrous. In view of the present standards of living and the present condition of the class of workpeople under consideration, we are, I think, generally convinced that the results have already been highly injurious to social welfare, and that there are no natural forces which tend to remedy the evil. Therefore, State interference and a public fixing of a minimum wage for this particular class of workpeople seems highly desirable. It goes without saying that such standards ought to be fixed after the most careful and impartial investigation in each individual instance. (Pages 610-611.)

Statement of E. W. Kemmerer, Professor of Economics and Finance, Princeton University.

The argument in favor of the minimum wage that appeals to me most strongly may be stated as follows: Competition works very imperfectly, and, from the social point of view, inadequately, in providing a fair wage for certain classes in the community who are weak in their bargaining powers because of ignorance, lack of organization and immobility. (Pages 614-15.)

Statement of Adna F. Weber, Chief Statistician, N. Y. State Public Service Commission.

The fact is that the premises on which the economist bases his theory of wages (that free competition tends to give to each laborer the equivalent of what he produces) are seldom realized. Combination in place of competition, ignorance instead of knowledge, absence of a reserve supply of food, and many other circumstances contrary to the assumed premises or hypotheses of the economist, render untenable the position that wages are invariably or even generally fixed by natural economic laws, which may not be modified by any "artificial" standards of the legislator and administrator. This conclusion was reached at least twenty years ago by competent investigators. (Pages 678-79.)

Statement of D. J. McMahon, Supervisor of Catholic Charities, New York City.

Our economic phase of life in early times was dominated much by our political existence, and freedom in all things was the thought that ruled at the period when the Constitution was adopted and this was almost coeval with the change to factory and shop from the homes which brought about the development of the present system of capital and labor. Our economic life in relation to the State from the beginning was naturally in accord with the prevailing view that individual and social welfare was best protected by competition so that freedom should prevail throughout.

Competition under the *"laissez faire"* policy continued until now and the State did not interfere except to prevent fraud and theft. This system has been found wanting on many sides and if left still unchecked by the legislature we know not how near to slavery and inhumanity on one side or anarchy and revolution on the other would be the result. If all men were truly equal in perfect mental and moral make up, the principle might indeed prevail, but we have seen that the inhumanity of man to man will show itself when the spirit of selfishness becomes dominant.

Underpayment Destroys Competition.—Australia

If we have justly passed laws regulating the hours of work, the safety and sanitation in work, in regard to monopoly, etc., why should we hesitate to prevent by legislation the hardships and injuries and degradation which are the consequences of the improper wages? (Pages 717-722.)

Statement of Henry DeForest Baldwin, Lawyer, New York City.

I suppose cutthroat competition can be as ruinous to wage earners as it is to railroads. And the competition of the incompetent, and of those who are partially supported through other sources than their labor, may bring down the prevailing rate of wages to a point where the really competent workman cannot earn a decent living, while if he were relieved from this unfair competition, the wages of the competent would be advanced and the increased wage fully earned. (Page 741.)

A New Province for Law and Order. Industrial Peace Through Minimum Wage and Arbitration. Henry Bournes Higgins, *High Court of Australia, Melbourne* [*President since 1907 of the Court of Conciliation and Arbitration*]. *The Harvard Law Review, November, 1915.*

The imposition of a minimum wage, a wage below which an employer must not go in employing a worker of a given character implies, of course, an admission of the truth of the doctrine of modern economists, of all schools I think, that freedom of contract is a misnomer as applied to the contract between an employer and an ordinary individual employee. The strategic position of the employer in a contest as to wages is much stronger than that of the individual employee. "The power of the employer to withhold bread is a much more effective weapon than the power of the employee to refuse to labour."* Low wages are bad in the worker's eyes, but unemployment, with starvation in the background, is

*Engine Drivers, 5 Com. Arb. 9, 27 (1911).

worse. The position was put luminously once, as well as with unconscious humor, by an employer on whom a plaint was served for settlement of a dispute by the Court. In place of filing an answer, he wrote a letter to the registrar, denying that he was a party to any dispute. "I have never," said he, "quarrelled or disputed with a labourer of any kind. . . . If we cannot agree, well, we will part; that ends the whole. . . . Love is the power which will end all struggles, not legislation." Other respondents pin their faith, not to "love," but to the sterner "law of supply and demand." They treat this law as being, in the matter of wages, more inexorable and inevitable than even the law of gravitation, as not being subject, as laws of nature are, to counteraction, to control, to direction. "One may dam up a river, or even change its course; but one cannot (it is said) raise wages above the level of its unregulated price, above the level of a sum which a man will accept rather than be starved."* If the Court did nothing else than drag such theories into the light of day, and into free discussion, it would be doing good service to the community. But it is coming to be recognized that what the Court does in fixing a minimum wage is by no means novel in principle. There are many Acts of many legislatures which prescribe minimum conditions on other subjects. For example, Mining Acts often prescribe minimum conditions as to ventilation, timbering, safety appliances, machinery, sanitation. These matters are not left to individual bargaining. (Pages 25-26.)

A Living Wage. Rev. John A. Ryan. *Macmillan, New York, 1906.*

Now, this theory of the equalizing force of unfettered competition and unlimited freedom of contract, together with a very inadequate observation of the facts of industrial life, formed the basis of whatever claims the older economists had to be regarded as judges of the

* Engine-drivers, 5 Com. Arb. 27, 28 (1911); ship's officers, 6 Com. Arb. 6, 18 (1912); marine engineers, 6 Com. Arb. 95, 101 (1912).

morality of wages fixed by the method of unlimited bargaining. That their theory was false and their study of facts one-sided, was abundantly proved by the industrial experience of the land in which the theory was most widely preached and most thoroughly tested. The rise of the factory system in England and the introduction of the policy of *laissez-faire* were, indeed, followed by a remarkable increase in the production of wealth; but inequalities of opportunity were not reduced to a minimum; the remuneration of labor did not tend to conform to a measure of substantial justice. Nearly the whole of the increase in wealth went to the newly-made capitalists, while the wages received by the laborers were barely sufficient to keep them alive. . . . In a word, "the obvious and simple system of natural liberty" advocated by Adam Smith and his successors, brought, instead of a régime of justice, a period of horror that is known in economic history as the period of English Wage-Slavery. (Pages 16-17.)

. . . Negatively, liberty is absence of restraint; positively, it is the power to act and to enjoy. Now the restraints to action and enjoyment are not all political and legal; consequently the individual may possess the fullest immunity from governmental interference, and yet be hindered by some other restraints, such as, the strength, cunning, or selfishness of his fellows, from doing and enjoying those things that are essential to reasonable life. Whenever this happens, the absence of State intervention means the presence of insuperable obstacles to real and effective liberty. In a word, political and legal freedom are not an adequate safeguard to the welfare of the individual. As the Comte de Mun told the French Chamber of Deputies: "Liberty does not consist in a theoretical right, but in the possibility of exercising it. The power to be free, in a régime which puts the workingman's life at the mercy of supply and demand; which exposes himself, his wife, and his children, to the hardships of a competition that knows no moderation; which sets no limit to his exploitation except the interests of those who employ him,—the power to be free

in such conditions, when the need of subsistence is so pressing as to permit of no waiting, no choice, no hesitation, does not exist and consequently the laborer is not free." (Pages 297-298.)

The fact is that the underpaid laborer does not willingly sell his labor for less than the equivalent of a decent livelihood, any more than the wayfarer willingly gives up his purse to the highwayman. It is the superior economic force (which consists essentially in the ability to wait, while the laborer must go to work to-day or starve) possessed by the employer that enables him to hire labor for less than a Living Wage. And the employer who can afford to pay a Living Wage is no more justified in using his superior economic strength in this way than he would be justified in using superior physical strength to prevent the laborer from taking possession of a sack of flour or a suit of clothes that the latter had bought and paid for. In both cases the laborer is deprived by superior strength of something to which he has a right. As a determinant of rights, economic force has no more validity or sacredness than physical force. (Pages 325-326.)

Report of the Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

The need of work is so great and the workers are so numerous that the employers may dictate their own terms, limited only by their sense of social responsibility and by the restricted competition of other employment opportunities. The constant and even increasing tide of immigration is an important element in the situation.... (Page 16.)

By economic law rent and the price of commodities are determined by the value of the highest priced parts that are used. Surely if the economic laws of supply and demand and of profit worked the same way with labor, the women entirely dependent on their own earnings, the women who had no male earners to help them in the care of their broken families, and the women at home and in large families with few wage earners, make

a sufficient part of all the women workers to set the price of wages at the cost of living that maintains health. But with labor exactly the opposite is true. Here the price of the whole is fixed by that part which is produced the cheapest, *i. e.*, which is subsidized, or which exists at the lowest level. The woman supported by her father or husband, or who herds in the cheapest quarters and lives on bread and tea, sets the price offered to the woman who must be self-sustaining and who must live at a decent standard if she would preserve her efficiency and health. Were labor really a commodity which could be withheld from the market at will, it would be the more expensively maintained labor that would set the price, and the more cheaply or more advantageously maintained labor would enjoy a margin similar to the margin now enjoyed as profit and rent. As it is, instead of a lower price for labor decreasing the supply it actually increases it. (Pages 84-85.)

Artificial Flower Makers. Mary Van Kleeck. *Russell Sage Foundation Publication, New York, 1913.*

Economic pressure is recognized as an important factor in the wage bargain, and signs are not lacking to indicate that the wage received is in inverse ratio to the pressure. It is the worker nearest starvation who is most likely to accept starvation wages. If this be true, then the worker's standard of life will determine in part the wage received. In a trade where there is no collective bargaining, but the arranging of terms of employment is left to individuals, the poverty of applicants for positions will occasion a constant downward pull on wage standards. (Pages 72-73.)

The Theory of the Minimum Wage. Henry Rogers Seager, *Professor of Political Economy, Columbia University. American Labor Legislation Review, February, 1913.*

As to the first problem the view of the older economists was well expressed by Adam Smith: "A man

must always live by his work," he declared, "and his wages must at least be sufficient to maintain him." Fuller knowledge of the possibilities of a competitive labor market precludes us from subscribing to this optimistic view. No economist would now deny that starvation wages are sometimes paid to women and children, and even men, in communities which, judged by any other test, are in a highly flourishing and prosperous condition. Nor is there any great difficulty in disposing of the theory that there is a hard and fast economic law, according to which a person's wage must always be "at least sufficient to maintain him." Employers, in their effort to reduce their expenses of production, are not restrained by any such illusion. Speaking generally, they pay the wages that the market conditions require and consider it to be the employee's business to decide whether or not he can afford to accept these wages. On the side of employees, the competition for employment, may be so intense as to force wages below the living level, and the conditions which control the number of competitors may be so inflexible that they continue at starvation rates year after year with no tendency toward improvement. (Page 81.)

On Labour: Its Wrongful Claims and Rightful Dues. William T. Thornton. *Macmillan, London, 1870.*

Labourers cannot postpone the sale of their labour without incurring a loss corresponding exactly with the length of the postponement. So far as the morning's labour is concerned, it is of no use to them to know that the demand for labour will be twice as great in the afternoon as it is now, or that it is twice as great twenty miles off as it is here; for the morning's labour cannot be sold at all if they wait till the afternoon, or if they occupy the whole morning in walking to another place of sale. (Pages 97-99.)

With every labourer it is always, in one sense, Hobson's choice. He cannot have what is offered unless he accept it at once, whereas an employer has generally a chance of getting to-morrow, on as good or better terms,

what he refuses to-day. With a very poor labourer it is always Hobson's choice in the fullest sense. He must take the most he can immediately get, for he cannot wait for more; he cannot carry his labour to a better market, for he cannot spare the time to go there; he cannot retire from the profession of labourer, unless, when ceasing to work, he is content also to cease to live. Even if among many destitute workmen there were some few who had saved a little money, their savings would avail them little. To a large employer it would be a small inconvenience to dispense with individual workmen, but the individual workmen, as soon as their savings were exhausted, would be compelled to take fresh employment on such terms as they could obtain. Labourers with savings could do nothing without others to combine with them. Yet, uncombined, they could have little chance against even single masters, who, on the contrary, would have merely to use their special facilities for combining, in order to have their improvident men completely at their mercy. (Page 102.)

Laissez-Faire and Government Interference. Addresses on Economic Questions. VISCOUNT GEORGE J. GOSCHEN, M. P. *Arnold, London, 1905.*

. . . The doctrine of *'Laissez-faire'* meant that a man's own interest is one of the surest factors in the production of wealth; but if, in the pursuit of individual interest, it was proved that the safeguards for the security of the interests of others in life or limb were insufficient, the public demanded that restraint should take place. The plea has not failed to be put in, that the power to inflict injury or risk on the employed did not lie in the hands of the employers alone; that the employed might refuse to serve masters whom they could not trust; that self-interest, however selfish, would ultimately have to yield to the influences which would be brought to bear upon it; that to relieve the employers of responsibility would lessen some securities, though others might be offered. But in my judgment, it has become, wisely or unwisely, a matter of conscience with

the public, that it cannot stand aside when calamities occur; that the indirect action of other influences is too slow, or too uncertain; that in its own action alone it can find the satisfaction of its conscientious scruples. In view of this attitude of the public mind, I have spoken of the substitution of the conscience of society and national responsibility for the conscience of individual men. (Page 300.)

. . . As society becomes more complex, more crowded, as conflicting interests jostle each other more and more, so will the cry for more regulation become louder from day to day. Till some years ago the street traffic in the metropolis regulated itself. The rules of the road were held to suffice. The stream of vehicles passed to and fro under a very wide application of *"Laissez-faire"* and *"Laissez-passer."* But when blocks became more frequent, collisions more numerous, street accidents more and more a common occurrence, the cry arose for the police. Society in the shape of two policemen stationed itself in all the important thoroughfares. Coachmen were stopped, drivers directed, foot-passengers assisted, refuges constructed. Freedom of passage ceased. The principle of individual liberty yielded to organized control. Similarly on the highways of our industrial traffic, and in the movements of society along its various tracks, it would appear that collisions became so frequent, and accidents so numerous, complications, crowding, and disputes so intolerable, that the police of the State were summoned at every turn. Regulations unnecessary and odious in a simpler state of civilization not only became acceptable, but were loudly demanded. (Pages 304-5.)

. . . So long as legislation involving minute Government interference could be regarded simply as paternal legislation, it excited, not confidence, but distrust. The people of this country have never wanted the State to be parental. Now, when the State is invoked it is not invoked as a parent, or as a beneficent master; it is invoked as the agent, aye, as the servant of the people's will. From this point of view the movement is essentially democratic. (Page 310.)

Underpayment Destroys Competition.—Great Britain.

Principles of Economics. ALFRED MARSHALL, *Professor of Political Economy, University of Cambridge. Macmillan, London, 1907.*

Perfect competition requires a perfect knowledge of the state of the market; and though no great departure from the actual facts of life is involved in assuming this knowledge on the part of dealers when we are considering the course of business in Lombard Street, the Stock Exchange, or in a wholesale Produce Market; it would be an altogether unreasonable assumption to make when we are examining the causes that govern the supply of labour in any of the lower grades of industry. For if a man had sufficient ability to know everything about the market for his labour, he would have too much to remain long in a low grade. The older economists, in constant contact as they were with the actual facts of business life, must have known this well enough; but partly for brevity and simplicity, partly because the term "free competition" had become almost a catchword, partly because they had not sufficiently classified and conditioned their doctrines, they often seemed to imply that they did assume this perfect knowledge. (Pages 539-540.)

The want of reserve funds and of the power of long withholding their labour from the market is common to nearly all grades of those whose work is chiefly with their hands. But it is especially true of unskilled labourers, partly because their wages leave very little margin for saving, partly because when any group of them suspends work, there are large numbers who are capable of filling their places. (Page 568.)

The Remuneration of Women's Work. HAMILTON W. FYFE. *The Economic Review, London, April 1908.*

Low wages are not really due to ghoulish employers or to selfish workers. Most employers are ready to pay more, but are prevented by the competition of a few inefficient employers who undercut their prices. Workers are quite ready to take more, but hunger makes them

take what they can get, and that amount is continually depressed by the competition of the partially supported. The chief value of Wage Boards would be the extinction of this competition. (Pages 143-144.)

The Industrial Revolution of the Eighteenth Century in England. ARNOLD TOYNBEE, *Lecturer and Tutor in Balliol College, Oxford. Longmans, Green & Co., London, 1908.*

You all know that it has been said, I suppose a hundred thousand times in the last fifty years, that the wages of labour are determined by the demand for and supply of labour, just as the price of other commodities is determined by the demand for and the supply of those commodities. This is what the newspapers have said and many economists also; but there is an assumption in that statement which is not true. The writers who make that statement assume that the market for labour is identical in character with the market for commodities. Is that the case? The most eminent recent economists of more than one school have denied it. They have shown that there is a radical difference between the market for commodities and the market for labour, and that in the bargain of the labourer with the employer the labourer is, as an isolated individual, under a natural disadvantage. Remember that in the market for commodities buyer and seller meet on equal terms. They have equal knowledge, and probably—though not necessarily—equal capital. They can hold out for their reserve price; and if the merchant or the manufacturer cannot sell his commodities in one market, he has not the slightest difficulty in sending them to another. Further, a bargain about a bale of cotton goods does not convulse the industrial system, but the bargain about the price of labour involves the social condition of a whole class. In order to place the labourer on an equality with the employer in his bargain he must have equal knowledge with the employer of the market demand for employers and for labourers. But it is perfectly obvious that the employer has the advantage of the labourer in

point of knowledge. He knows better when to strike a bargain and when to hold out. (Pages 182-183.)

In the next place, in order that employer and labourer may bargain on equal terms they must both have a reserve price—that is, equal power of using their knowledge of the market. The isolated labourer is very much in the position of a merchant who has to sell without being able to hold out for his price. To enable the labourer to hold out he must have capital. He must be able to say to the employer, "Very well: if you won't give me my price, I will wait"; and he must be able to live during the time he is waiting. (Page 183.)

All these cases show that there is a real, essential difference between the market for labour and the market for commodities. I am not stating this in any other than a perfectly scientific spirit. It represents the careful analysis of the labour market by impartial men, and is accepted by economists of different schools. To put it shortly, we have in the market for commodities organised competition on equal terms and no social question involved; in the labour market we have unorganised competition and a great social question involved; and the statement of the conditions necessary to assimilate the labour market to the goods market is seen to be a statement of the labourers' disadvantage. (Page 185.)

Hansard's Parliamentary Debates. N. S. Vol. 4. 1909.

Mr. A. J. Balfour:

I admitted the truth of the Hon. Gentleman's statement that the result of raising wages was not in many instances to increase the price. The whole machinery of production may be improved, and the whole raising of wages of production may be improved. These wages are not fixed by competition, but it is a forced sale of value. It is not competition value. It is a forced sale value. It is grossly unfair of anyone to say that a forced sale represents the true value of the article sold. A forced sale never gives a true market rate of wages. Therefore, I do not think that if this Bill is properly worked it will interfere with anything that can truly be said to be a fair market rate of wages. (Page 384.)

Underpayment Destroys Competition.—Great Britain.

Mr. Winston Churchill, President of the Board of Trade:

. . . It is a serious national evil that any class of His Majesty's subjects should receive less than a living wage in return for their utmost exertions. It was formerly supposed that the working of the laws of supply and demand would naturally regulate or eliminate that evil. The first clear division which we make on the question today is between healthy and unhealthy conditions of bargaining. That is the first broad division which we make in the general statement that the laws of supply and demand will ultimately produce a fair price. Where in the great staple trades in the country you have a powerful organization on both sides, where you have responsible leaders able to bind their constituents to their decision, where that organization is conjoint with an automatic scale of wages or arrangements for avoiding a deadlock by means of arbitration, there you have a healthy bargaining which increases the competitive power of the industry, enforces a progressive standard of life and the productive scale, and continually weaves capital and labour more closely together. But where you have what we call sweated trades, you have no organization, no parity of bargaining, the good employer is undercut by the bad, and the bad employer is undercut by the worst; the worker, whose whole livelihood depends upon the industry, is undersold by the worker who only takes the trade up as a second string, his feebleness and ignorance generally renders the worker an easy prey to the tyranny of the masters and middle-men, only a step higher up the ladder than the worker, and held in the same relentless grip of forces—where those conditions prevail you have not a condition of progress, but a condition of progressive degeneration. Just as in the former the upward progress will be constant if nobody or no law gives a downward tendency, so it is that the degeneration will continue, and there is no reason why it should not continue in a sort of squalid welter for a period which compared with our brief lives is indefinite. (Page 388.)

Hansard's Parliamentary Debates. House of Lords. Vol. 2. 1909.

The Lord Bishop of Southwark:

Over large tracts of national industry labour has provided its own remedy by the method, at one time severely criticised, of a standard or minimum wage; but there remains an immense area. . . . in which it is impossible that organization can bring a remedy. We know that attempts have been made again and again to organize some of these branches of labour, but it has not been found possible. Within my own diocese there are great masses of such workers with regard to whom it may be said that interference is their only chance of freedom. These people cannot get any effective freedom unless you come to their rescue; and to resist that is not real loyalty to the principle of free contract, but an obstinacy which refuses to see where a principle is limited by other considerations. It is satisfactory to find that that obstinacy does not characterize at this stage of the matter either or any of the great bodies of political opinion. (Page 988.)

You have a state of things in factories—that is my experience in South London—which is quite deplorable in this way, that the workers are powerless to resist any pressure with regard to wages put upon them. The noble Marquis has told us that home-workers are in a far more parlous state still. Strong economic pressure is not really the only force; there is an element of caprice and uncertainty due to the fact that one side in the bargain has no power to keep things steady, and certainly in parts the very low wages tend to go lower still. (Page 989.)

The Industrial System: An Inquiry into Earned and Unearned Income. J. A. Hobson. *Scribner, New York, 1910.*

There is not for labourers the same liberty to refuse to sell their labour-power as there is for employers to refuse to buy. If a starving man meets a baker he will

pay all the money in his purse for a loaf of bread; the baker here exerts the maximum of economic power in bargaining for the price of his bread. Now a labourer bargaining with an employer for the sale of his labour-power is in an analogous case. He must sell, and he must sell now. The employer is not under the same compulsion to buy or to buy now. If the labourer does not sell he starves; if the employer does not buy he loses some profit. If the labourer can find two employers and make them bid for his labour, he can sell at a price above the bare subsistence price, *i. e.* at a price which is measured by the minimum profit at which one of the two employers will conduct his business. If, however, the two employers can find three labourers, two of which they wish to hire, they bring down the conditions of the price of labour to the starving-man limit.

Whenever, then, the ordinary condition of a labour market is such that there are more willing sellers than willing buyers, the price is virtually dictated to the seller by the buyer at the limit which we have already defined, that of the minimum standard wage. Now the larger part of the labour market of the world remains in this condition, offering at any given moment a surplus supply of labour willing to work at the ordinary conventional subsistence wage. Such labour is virtually obliged to sell its use for the marginal cost of production, *i. e.* for that share of the general product of industry just sufficient to maintain it in its accepted standard of living. (Pages 89-90.)

Profits and Wages in the British Coal Trade (1898-1910). Thomas Richardson, M. P. *and* John A. Walbank, *Chartered Accountant. Newcastle, 1911.*

Again, the individual worker has not full freedom in selling his labour. He is unable to hold out for a full wage, owing to his inability to exist meanwhile. It is a common statement of capital, when discussing the chances of some industrial dispute, to say that the employer can hold out longer than the employees. The employer has a reserve to fall back upon, labour has lit-

tle or nothing, and this force is always at work and tends to make the worker accept a lower wage than the employer is really prepared to pay. In fact, it tends to result in a lower wage being paid than need be paid, even under existing conditions, to enable an employer to profitably take existing work at existing prices. (Pages 65-66.)

Women in Industry. CONSTANCE SMITH. *Lecture Given at the Inter-Denominational Summer School at Swanwick, Derbyshire. Dent, London, 1913.*

My object . . . is to show, at the outset, the disadvantages under which many women enter the industrial labour market. The majority go there either as very young workers, with nothing but unskilled labour to sell, or as widows and married women whom economic pressure has compelled to resume wage-earning later in life. Most often the latter class have a family dependent upon them, and their circumstances rarely permit them to bargain with the giver-out of work as to the price to be paid for their labour. Work of some kind they must have, however ill remunerated; and they know that if they haggle over the amount of remuneration, if they even venture to suggest that it is not high enough, their chance of employment will be gone, for there are on their heels a whole crowd of women in like circumstances to their own, who will be ready to accept the work on the terms offered, or even to underbid them in order to secure it. (Pages 85-86.)

Report of Chief Inspector of Factories of Victoria, 1898.

During the past year the attempt to deal with the sweating evil by means of legislative action has been practically on its trial. To all those interested in the system of fixing a minimum wage, the year has been one of ~~anxiety,~~ and to the officers of this department one of anxiety, greatly increased responsibility, and extra work. Failure meant so much. Only those who are constantly in communication with those who earn a precarious daily

wage can realize what misery is brought about by uncontrolled competition—success, on the other hand, would mean another blow to the theory that the state cannot protect large numbers of its citizens from many of the evils of slavery. Where, for instance, is the freedom of men or women who, without money or food (either for themselves or others dependent on them), have to go and beg for work from men both able and willing to take full advantage of their necessities? . . . With these facts constantly before me it can be understood that the success of the system of fixing minimum prices by legislative action appeared of the greatest moment and importance.

With a full knowledge of the significance of the statement, I say I believe the system has been successful.

I do not for a moment claim that the system is perfect, and propose almost immediately to point out defects. That it has to a large extent prevented the worst evils of free competition appears to me to be beyond a doubt. In dealing with the effects of the various determinations of the boards, figures supplied by manufacturers will be given which will, I trust, satisfy the most incredulous. (Pages 4-5.)

La Fixation Légale des Salaires. (*The Legal Regulation of Wages.*) R. Broda, *Professor in the College of Social Science, Paris, Girard, 1912.*

Many decades passed before public opinion became aware of its fundamental error in declaring the relations between the buyer and seller of the "commodity" labor to be the same as the relation between the buyer and seller of any other commodity. It was long before public opinion perceived that a contract between equals was not possible between the employer and the individual worker who is threatened by immediate starvation if he fails to sell his labor. By the nature of things a new relation of subjection has developed between the employer and the "free" wage-earner who is at the same time protected by no tradition. The defencelessness and helplessness of the industrial wage-earner with regard to working hours, women's and children's work—which is a direct

attack upon race hygiene—often lead to such low wages that the nourishment and housing necessary for the preservation of the national welfare can no longer be secured, especially in the metropolis with its peculiar difficulties. (Pages 10-11.)

The Relation of Labor to the Law of Today. LUJO BRENTANO, *Professor of Political Economy, University of Munich. Putnam, New York, 1891.*

The chief cause of the little influence of the laborer standing alone in the determination of the sale of his commodity is this, that in consequence of his poverty he has, as a rule, nothing from which he can live except the sale of his labor. Every seller of other wares is rich in comparison with him. (Page 179.)

The isolated laborer is, on the contrary, compelled to a continual sale for the maintenance of his life. Or shall he keep his goods for a better market in the future? From what shall he live whilst he is waiting for a rise in prices? Shall he try whether or not he can find a better purchaser for his goods? Who is to furnish him the means to look up this place, and what will become of his family if he separates from them? There remains for him nothing but submission to the conditions which are offered him. The employer, however, fixes these conditions. It is he who alone determines the price of the commodity labor. (Pages 180-181.)

Lohnpolitik und Lohntheorie mit besonderer Berücksichtigung des Minimallohnes (*The Wage Question in Theory and Practice, With Special Regard to the Minimum Wage*). OTTO VON ZWIEDINECK-SÜDENHORST, *Professor in the Technical Institute of Karlsruhe. Duncker and Humblot, Leipzig, 1900.*

Freedom of contract has brought it about that work is done for a price which, notwithstanding the exertion of all his physical powers, does not yield the worker enough to save him from hunger.

Can such a contract be the will of the worker? That is the question which involuntarily confronts us. The fixing of so low a wage can certainly not be regarded as an expression of will on the part of the employee. The contract, however, is certainly willed; of that there can be no doubt, since the wage agreement as a two-sided agreement presupposes the union of wills in the act of contract. But the wage-clause, which is fixed by the will of the employer, but not by that of the employee, is conceded by the latter because he acts under compulsion exerted by the threatening spectre of unemployment in case he does not accept the conditions of work. In short, the famous freedom of contract is, in regard to the conditions of the contract and especially in regard to the price of work, a delusion. Even if the contract in itself is willed, that does not alter the fact that it cannot be regarded as a free act of choice of the work-seeker in regard to its individual conditions. (Page 357.)

Not only abstract reasoning but the facts also justify the recognition that we can only speak of a surety in the freedom of contract when the parties have a half-way equal interest in making the contract. (Pages 357-8.)

. . . The inequality lies in the material circumstances of the two parties, which, quite generally, in fact, almost without exception, form the basis in modern law for the assumption of wage-earning relations but which at the same time establish a difference of interest in the making of the contract. The inequality therefore lies in the essence of the wage relation. The capitalist or the manufacturer in control of capital could never be compelled by the necessity of his circumstances to pay wages which would lower his own standard of life to a plane on which he could no longer satisfy rational and obviously justifiable needs. (Page 358.)

It is only too well known that the employee does not find himself in this position; in the vast majority of cases he stands with his family face to face with hunger if he fails to accept the offer of wages from the employer. The inequality of the significance of the work-contract for the two parties reaches its climax in the fact that the

close of the contract means for the one party his very existence and usually for the other at the most the question of how he shall invest his capital. (Page 358.)

Der Mindestlohn. (*The Minimum Wage.*) D. PESL, *Member of the Bar of the Supreme Court. Duncker & Humblot, Munich, 1914.*

Does freedom of contract really exist when a work-agreement is made between the employer and his workers? This question must be answered with "no" in all cases in which the worker receives a wage which allows him and his family only a necessitous existence or not even that. Who believes that such a worker really declares of his own free will to the employer that he is ready to sell his working strength for this wage? When we read in an official report of an investigation made by the Vienna Chamber of Commerce and Trade in 1898 of the distress of the weavers in the nether-Austrian forest-quarter, and learn that in many cases man and wife together, by strenuous work, could only earn a weekly net income of about 2 marks, and that in no weaver's home did anybody receive a sufficient wage; when we know that the basket-weavers of middle-Germany earn from 3 to 4 marks weekly, that the weavers of Saxony are, even to-day in a wretched position—can anyone say in earnest that all these workers have freely chosen such a contract? In these and a hundred thousand other cases, there can be no talk of freedom of contract; it was not the will and wish of the workers which caused them to make such a contract, but they stood, and yet stand, under the compulsion of hunger and distress. (Pages 312-313.)

E. THE FINANCIAL BURDEN IMPOSED UPON THE STATE.

(1) The Deficit Between Wages and Cost of Living.

Statistics of wages collected by state and federal government and by authoritative private investigations prove that a large proportion of workers in the United States are paid wages too low for decent self-support.

The minimum wages, fixed by different state wage commissions, for women employed in various industries are based upon the minimum cost of living and vary from $7 to $10 per week. Similar figures have been reached by budget studies made in states where there are no wage commissions.

The following tables show in state after state the extremely high proportion of women receiving weekly wages lower than the official figures representing the minimum cost of living for women in health and frugal decency. The deficit between earnings and cost of living is thus statistically set forth.

(a) general.

Principles of Labor Legislation. John R. Commons *and* John B. Andrews. *Harpers, New York, 1916.*

That a large proportion of unskilled workers are paid wages far too low for decent self-support is a fact confirmed by many wage investigations and well known to those even slightly familiar with present-day industrial conditions.

(1) Low Wage Scale.

It is the consensus of expert opinion at the present time that a weekly wage of $8 or more is necessary under urban conditions for the maintenance of a self-support-

ing woman in simple decency and working efficiency, and that a man with a wife and three children requires at least $15 to $20 weekly for their proper support. Yet a recent study on woman's wages in the United States concludes that 75 per cent. of female wage-earners receive less than $8 weekly, 50 per cent. less than $6 and 15 per cent. less than $4, and that these wages are further reduced approximately 20 per cent. through lost time and unemployment. The pay of unskilled male workers is at a correspondingly low level. Streightoff, in his discussion of American standards of living, estimates that at least six million adult men, married as well as single, receive less than $600 a year, or $12 a week. More intensive investigations bear out these figures. The United States Immigration Commission studied a large number of typical households representing both native and foreign-born in sixteen leading industries. More than half of the male heads of families earned less than $500 a year, and nearly two-thirds less than $600. More recently, the New York State Factory Investigating Commission examined the pay-rolls of over 2,000 stores and factories during the fall, winter, and spring of 1913-1914. Out of 57,000 women and girls, approximately 34,000 or 60 per cent. earned less than $8 in a typical week. Seven thousand out of 14,000 married men, or 50 per cent., earned less than $15.

It seems, then, no exaggeration to say that the majority of low-skilled industrial workers in the United States receive wages too small for decent self-support. This fact explains the demand for minimum wage legislation as necessary to social welfare. (Pages 168-169.)

A number of investigations were made to determine the cost of living for a self-supporting woman, and, notably in Massachusetts and Oregon, budgets were carefully worked out to cover all the items considered necessary. Such estimates cover very moderate amounts for food, clothes, shelter, and washing, sometimes but not always medical expenses and carfare, and also allow a meagre sum for recreation, education, and a short vacation. No provision is made for insurance or sav-

ings, yet the other items alone amount up to $8 or $10 weekly. It becomes, then a matter of grave social concern when careful studies show that a majority of women wage-earners in the United States receives less than this amount. (Page 181.)

Women's Work and Wages in the United States. C. E. Persons, *Associate Director of the School for Social Economy, Washington University, St. Louis. Quarterly Journal of Economics, February, 1915.*

Of the eight states, excluding Utah's flat rate, defining the measure of a minimum wage, all are practically in line with California's statute, which declares that it should be "not less than a wage adequate to supply to such women and minors the necessary cost of proper living and to maintain their health and welfare." And so far as the phraseology of the statutes has found practical application in the acts of wage boards and commissions there is clear evidence of an intent to carry out such a liberal interpretation. These early wage determinations, under the statutes, and the results of various investigations, agree that such living wages under American conditions will be more than $8.00 per week. There is substantial agreement also that $7.00 represents about the level of a bare existence.

If these figures represent the level above which eight states are pledged to hold women's wages and the goal toward which other states with active minimum wage propaganda are striving, it becomes of highest importance to learn what the actual level of wages is and how great the proposed change may prove to be. In answering this inquiry we have abundant, though not always entirely satisfactory, data. The investigation of the Bureau of Labor covered over 100,000 women wage earners 16 years of age and over. These were found in the cotton, men's clothing, glass and silk industries; in factories and in various selected industries. Unfortunately only a small proportion of the 35,000 workers

in stores can be classified as to age. Of these 100,000 workers, 18.6 per cent. received under $4.00 in the representative week for which wage quotations were taken. Nearly 49 per cent. received under $6.00; and nearly 77 per cent. under $8.00. This leaves but 23 per cent. of these workers receiving the living wage agreed upon by our minimum wage investigations, and suggests that fully 50 per cent. received less than the amount which investigators agree represents the lowest subsistence wage. The more comprehensive report of the Census Bureau in 1905 covered more than 588,000 female workers over 15 years of age, in manufacture, and gives almost identical results; it shows 18.4 per cent. receiving under $4.00 per week; 49.8 per cent. under $6.00; and 77.9 per cent. under $8.00. The reports of the Immigration Commission dealt with industries in which immigrant, and by inference low paid, labor was especially prominent. The age division was put at 18 years and the wage limits quoted at $5.00 and $7.50. Without presenting the evidence in detail it may be stated that approximately half of the females over 17 years of age listed received less than $7.50 per week. (Pages 207-208-209.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Report of Commission.

Cost of Living.

A typical weekly budget of a girl working in a trade for $6.00 a week is as follows:

Half of the furnished room	$1.50
Breakfast and dinner	2.10
Lunch	.70
Carfare	.60
Clothes at $52 a year	1.00
Total	$5.90

This leaves a balance of 10 cents. In this account there is no allowance possible for doctor or dentist, amusements, newspapers or extra carfare. After saving the balance for one year, this girl would have $5.20 if she worked steadily, and had no expenditures other than those given in the schedule. But the trade in which she works is seasonal so she will not work the full 52 weeks. Her annual income may therefore be reduced one-fifth or more from even the low level given above.

Dr. Streightoff in his report states that the cost of living includes: "food, clothing, shelter, intellectual development, recreation and a provision for the future." He holds this to be a concept of a decent livelihood which is defensible at every point. In considering the question of adequate self-support the standard of living set by such an organization as the Young Women's Christian Association, dealing largely with working women, may be accepted. This organization has a list of available rooms and boarding places, which have been investigated, and which it considers suitable for working women. On inquiry, it is found that there are only a few rooms in New York City at $2.50 a week; that comfortable rooms can be secured usually only at $4.00 a week and that occasionally board and lodging may be had for $7.00, but that the usual price is $9.00.

It is quite apparent that this standard is altogether too high for the great mass of working women investigated, over 50 per cent. of whom receive less than $8.00 a week. Dr. Streightoff, after careful computation and study of reports of students of the subject, concludes that the very lowest sum upon which a working woman can decently maintain herself in that "city of the State where the rents and food prices seem about the lowest, in Buffalo, is $8.20 per week the year round, and in New York City, $9.00." Even at this figure it will be seen that the great army of working women can not adequately support themselves. (Pages 37-38.)

The Industrial Commission of Ohio. Department of Investigation and Statistics, Report No. 14. 1915. Cost of Living of Working Women in Ohio.

The detailed daily accounts kept by 208 working women show, as has been stated, an average excess of expenditures over income of 4 cents per week. Classified according to income from all sources, these accounts show an increase in total expenditures as the income increases until an income of $11 or over per week is reached. . . .

The average expenditure of the group of 22 women whose weekly incomes were less than $6, was 2 cents per week less than their average income. Four out of seven of the classified income groups show that the average expenditures exceeded the average incomes.

The total weekly income from all sources was less than $8 for 94 of the women who kept detailed daily accounts. The average weekly income for this group of 94 was $6.53 and the average weekly expenditure was $6.82; an average excess of expenditures over income of 29 cents per week.

The excess of expenditures over income is due, as has already been stated, largely to the fact that almost three-fourths of the account weeks fell in September, October and November, when fall and winter clothing was being purchased and the expenditure for that item is greater than during any other season of the year.

Some of the women whose total expenditures exceeded their total income during the short period covered by the daily accounts, were in debt for board and room and occasionally for medical attendance or for clothing, but a large majority had withdrawn money from previous small savings to meet the increased expenditures for clothing arising during the fall and early winter months.

The following table compares income from all sources and total expenditure for the 208 women who kept detailed daily accounts for periods varying from four to ten weeks.

Average Weekly Income and Expenditures, by Income Groups.

Weekly Income Group.	Number of accounts.	Average weekly income.	Average weekly expenditure.	Per cent. of income expended.	Average surplus per week.
Less than $6	22	$4.96	$4.94	99.6	$0.02
$6 but under $7	29	6.37	6.67	104.7	*.30
$7 but under $8	43	7.44	7.88	105.9	*.44
$8 but under $9	44	8.33	8.25	99.0	.08
$9 but under $10	24	9.32	9.82	105.4	*.50
$10 but under $11	24	10.24	10.71	104.6	*.47
$11 or over	†22	11.95	10.31	86.3	1.64
Total	208	$8.24	$8.28	100.5	*.04

* Deficit.

† Six of the 22 reporting incomes of $11 per week or over averaged slightly more than $12 per week for the account period, but in each case the annual income was $624 or less.

(Pages 18-19.)

The average total income of the 163 boarders and lodgers who kept daily accounts was $8.33 per week and their average total expenditure was $8.52 per week. The average expenditure was equal to 102.3 per cent. of the average total income and the margin of difference was a deficit of $0.19 per week. (Pages 19-20.)

Bulletin of the Pennsylvania Department of Labor and Industry, January, 1915.

Weekly Wage Rates of Women Employed in 5 Philadelphia Department Stores.

It has been found that in order to maintain a normal existence, an average weekly expenditure of $4.40 for food and shelter, $1.71 for clothing, $0.60 for car-fare, $0.17 for recreation and $1.65 for laundry, health, insurance and incidentals—a total of $8.53—is necessary. The wage tables reveal that in the down-town department stores 69.2% of the women earn less than this amount, and 50.9% earn less than $8; in neighborhood department

stores, two-thirds of the women earn under $8 and practically all those in the smaller neighborhood stores receive still less. The vital question facing these women is how to provide for other necessaries of mind and body after food and shelter have been paid for. The strain attendant upon this continued struggle must in the end tell on health and business ability. (Pages 95-96.)

The Legal Minimum Wage in the United States. Arthur H. Holcombe. *American Economic Review, March, 1912.*

The most recent and probably the most satisfactory attempt to determine the cost of maintaining the normal American standard of living is that of Mr. Frank H. Streightoff. He places the minimum family income adequate to the maintenance of normal living conditions in the smaller cities of the North according to the generally prevailing American notions of decent living at $650 a year. Dr. Chapin places the figure at $800 or over in New York, but in order to avoid appearance of exaggerations, let us take the figure of $600. The most recent and probably the best evidence concerning the number of households receiving less than this minimum family income is contained in the reports of the Immigration Commission. In the official abstract of the report on immigrants in manufacturing and mining the public is informed that the average annual family income in sixteen leading industries in which a large number of typical households, representing all nationalities, native and foreign, were intensively studied, is $721. The report does not indicate what percentage of this number of households receive an annual income of less than $600; but it is stated that no less than 31.3 per cent. receive less than $500 a year and 7.6 per cent. receive less than $300. The annual earnings of male heads of families alone are lower. More than half earn less than $500 a year, and nearly two-thirds earn less than $600 a year. If we examine the official abstract of the report on immigrants in cities we find even more depressing

conditions. Of 5,825 families dwelling in the typical congested blocks in New York, Chicago, Philadelphia, Boston, Cleveland, Buffalo and Milwaukee, the male heads earned on an average only $475. No less than 72.2 per cent. of the whole number earned less than $600 a year, and 41.2 per cent. earned less than $400. The average annual earnings of the 3,609 females in the households studied and reported in the abstract on immigrants in manufacturing and mining were $304. No less than 26.4 per cent. of them earned less than $200 a year. The average annual earnings of the 2,590 females 18 years of age or over working for wages and reported in the abstract on immigrants in cities were $239. No less than 67.9 per cent. of these earned under $300 a year and 44.8 per cent. earned under $200 a year. With these latest official figures in mind concerning the extent and intensity of under-payment, we are prepared to accept Mr. Streightoff's estimate that at least five million adult males receive less than $600 a year for their labor. . . . . In the light of these and other recent investigations into the standard of living among the industrial population of the United States the fact that a very considerable number of working people are now employed in the United States at less than an American standard of living wage may be regarded as sufficiently established. (Pages 31 to 33.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage Earners in Oregon with Special Reference to Portland. CAROLINE J. GLEASON, *Portland, Oregon, 1913.*

Table 2 below gives the average annual wage and expense of the 509 women interviewed in Portland, classified according to industry and whether they were living at home or adrift. The saving or deficit is also indicated, showing the amount of outside help required for the girl's support.

It will be observed that the average girl in every

occupation, except office work, receives wages which are inadequate for her support, and consequently would face the end of the year in debt if she does not receive assistance from her family or some outside source. * * *

TABLE 2.

Average Annual Wage and Expense of 509 Women Wage Earners in Portland, classified by occupation and as to living at Home or Adrift:

LAUNDRY— No.	Average Annual Wage	Expense	Deficit	Saving
9 At Home	$423.00	$474.45	$ 51.45	
27 Adrift	464.00	475.05	11.05	
FACTORY—				
82 At Home	416.92	426.98	10.06	
18 Adrift	395.00	438.83	43.83	
OFFICE—				
57 At Home	542.14	599.50	57.36	
31 Adrift	692.90	617.07		$ 75.83
DEPARTMENT STORES—				
81 At Home	459.50	605.36	145.86	
35 Adrift	480.57	572.42	91.85	
MISCELLANEOUS—				
99 At Home	440.24	539.29	99.05	
70 Adrift	458.71	526.68	67.97	

Out of 127 persons who offered information, other than the schedules called for, 70 stated that they could not live on their salaries if they did not receive outside help; 22 had to help support families that ranged from four to nine persons; 15 others said they had children to support; 62 claimed to receive assistance from home. The wage ranged from $2.50 to $12 per week. (Pages 21-22.)

Table 3 shows what is the average cost of living for 101 young women in the state at large. The evidence is practically the same as that from Portland. Outside it amounts to $9.82 a week, or $42.55 a month. In some towns the actual cost of living would be slightly lower on account of lack of car service.

TABLE 3.

Average amount spent annually by 101 women wage earners in miscellaneous occupations in Oregon (outside Portland). Information obtained from Ashland, Baker, Eugene, Forest Grove, LaGrande, Medford, Oregon City, Pendleton, Salem and Vale:

Room and Board	$278.62
Clothing	137.50
Laundry	16.00
Carfare	21.00
Doctor and Dentist	18.00
Church and Lodge	12.52
Reading	6.54
Recreation	20.50
Total	$510.68

$9.82 a week; $42.55 a month. (Page 22.)

Investigation has shown that $10 a week is the very least on which the average self-supporting women can live decently and keep herself in health in Portland. This means a steady income of $520 per year. How this would have to be spent, were women in all cases living as they should, is indicated by the following schedule:

TABLE 37.

	Per Year.
Room and Board, $25 per month	$300
Clothing	130
Laundry Bills	25
Carfare	30
Doctor's Bills	15
Lodge and Church Dues	10
Recreation, including vacation	25
Education and Reading	10
Total	$545

If we were to omit the sum allowed for recreation, $25 a year, we would bring the actual cost to $520 a year, or $10 a week, for bare necessities. (Page 67.)

Report of the Kansas Department of Labor and Industry, 1913.

The ever-increasing number of women who have entered the various lines of gainful employment in Kansas, and the wages, hours and conditions under which such

women work, has been made the subject of special investigation by this department during the past year. (Page 9.)

In summarizing the statistical tables showing the women employed in the various industries investigated the results have been shown in six separate tables. . . . These tables cover a total of 6544 women, but only 6067 of them are classed as full-time workers, and the following analysis is based on this table of full-time workers. This table shows that of this number 248, or approximately 4 per cent. receive under $4 per week; 1524, or 25 per cent. receive $4 and over, but under $6 per week; 2741, or 45 per cent. receive $6 per week and over, but under $9; 1169, or 19 per cent. receive $9 and over, but under $15, while 386, or 7 per cent. receive $15 per week or more. From this it will be noted that approximately 74 per cent. receive under $9 per week. Many students of social conditions in this country who have made an investigation of the cost of living have placed the minimum living wage at $9 per week. Assuming that this is correct, only 26 per cent. of the women investigated in the various factories, stores and other establishments visited receive a living wage. (Page 22.)

Second Report of the New York State Factory Investigating Commission, 1913. Vol. II. Appendix IX. Mercantile Establishments.

Of even greater importance than the demand of the work and the hours of labor are the prevailing wages paid to girls and women employed in department stores. (Page 1257.)

Since the earnings are not adequate for self-support, it is apparent that the standard of living in a large number of cases must be depressed below the level on which health and efficiency can be maintained. Yet the working efficiency of the individual is primarily dependent on her standard of living. The inadequacy of the wage is an evil which no amount of care in the sanitary appointment of the stores nor hospital service, nor welfare work can compensate for. (Page 1263.)

In New York City, where living expenses are highest, the proportion of those earning less than $7 was 44 per cent. These wages, though higher than those paid in

five and ten cent stores, are also clearly beneath the level of subsistence. Such is the income of these women. The Massachusetts Minimum Wage Commission estimated that $9 to $11 is a "living minimum wage for women".

In some way, therefore, the difference must be met between the ascertained earnings of these New York women and their necessary expenses of living.

The girls often live with such excessive economy and upon such short rations that health suffers and future earning capacity is permanently undermined. Thus the workers themselves are made to pay unfairly in strength and vigor, instead of receiving a living wage from the industry which employs them. (Pages 1260-1261.)

Third Report of the New York Factory Investigating Commission, 1914. Appendix II. The Paper Box Industry in New York City.

Interviews were held, in the factories and in the homes, with 227 women representing thirty-seven factories. Full trade histories were secured in almost all cases and reasonably full personal histories. (Page 144.)

The women interviewed were fairly representative of the trade as to nationality, but averaged older and steadier, and therefore their median wage, $7.50, was higher than the median wage for women in the whole trade. Questions as to loss of time for industrial or personal reasons showed an average loss per person of twenty-eight working days per year. If we add the eight legal holidays usually observed and not paid for, the wages are reduced by 9 per cent., that is, to $6.90. In the opinion of the agents this is an optimistic estimate. (Page 145.)

Domicile.—Sixty-four per cent. were living at home; 19 per cent. were living with relatives; 17 per cent. were lodging with strangers. (Page 146.)

Contributions to the Families.—Of the 178 who lived at home, 116, or 65 per cent., turned in all their wages. Several others contributed all but $1, which they used for their small expenses. Those who paid board at home

paid in most cases $3, $3.50 or $4. Those who lived with relatives occasionally turned in everything, but were more apt to pay board varying somewhat with their wages. The usual board is $3 or $3.50. (Pages 150 to 151.)

Cost of Board and Lodging.—Of the 46 women and girls living alone, 38 were entirely self-supporting. Some of these girls board; others live in furnished rooms, getting their meals outside; and one woman has her own little apartment. Fourteen live in furnished rooms. Three of these, who are American born, pay $2 to $2.35 a week; eleven, all Russian born, pay $3 a month for "sleeps," as one of them expressed it. This is apt to mean a sofa in a room with others, or one-half of the landlady's bed. Meals may be taken with the landlady or bought at a restaurant. Breakfast usually consists of coffee and rolls or an apple from a fruit stand. Many go without breakfast. Luncheon of meat and potatoes and a vegetable or dessert is apt to cost 15 cents. Dinner costs 15 to 25 cents. Three dollars is the usual weekly cost of food, including luncheon. It could not well be less. The minimum amount paid for lodging, which is also the usual amount in the case of the foreign born, 70 cents a week, making a total cost for board and lodging $3.70. This is almost precisely the usual amount paid by those who board and lodge in the same house. There are wide differences, of course, the smallest amount for board being $2.50, the largest $5.75. The expenditures vary partly with the wages. Most of the girls spend 51 per cent. of their wages for board and lodging. (Pages 156 to 157.)

It can be easily seen that a girl whose wage rate is $7.50 a week and whose actual earnings do not average more than $6.90 must be poorly housed, insufficiently fed and meagerly clothed. Any need for a doctor or dentist, any call to help needy relations on this side or the other, must result in actual deprivation. (Page 157.)

(b) SOME STATISTICAL STUDIES.

Biennial Report of the California Bureau of Labor Statistics, 1911-12.

Weekly Earnings of Women Employed.*

	Per Cent. of —Workers Earning (Cumulative)—				Total number investigated.
	Under $3	Under $6	Under $9	$9 and over.	
San Francisco:					
Manufacturing	0.1	6.5	40.1	59.9	8,742
Wholesale	—	3.0	24.8	75.2	2,097
Retail	1.1	10.4	30.4	69.6	4,860
Miscellaneous	—	—	19.6	80.4	388
Total	0.4	7.1	34.7	65.3	16,087
Los Angeles:					
Manufacturing	0.3	8.2	47.7	52.3	5,604
Wholesale	—	2.6	17.8	82.2	818
Retail	0.3	12.9	38.8	61.2	5,327
Miscellaneous	—	—	15.4	84.6	162
Total	0.3	9.8	41.2	58.8	11,911
Oakland:					
All industries	—	11.4	52.8	47.2	2,843
Sacramento:					
All industries	1.7	17.7	48.0	52.0	1,335
San Jose:					
All industries	—	2.3	36.8	63.2	554
Stockton:					
All industries	1.5	4.7	34.7	65.3	527
San Diego:					
All industries	1.4	8.6	49.9	50.1	1,076
Total for the State, including small towns	0.4	8.5	38.8	60.2	37,204

(Computed from pages 91-101.)

*No statement made as to whether these figures are rates or actual earnings.

First Report of the Colorado Wage Board, 1914.

Weekly Earnings of Women Employed.

Industries.*	Per Cent. of —Workers Earning (Cumulative)— Under $6	Under $7	Under $8	Under $9	$9 and over.	Total number investigated.
Department stores	31.7	41.4	52.8	65.8	34.2	1,429
5-10-15 ct. stores	21.0	82.4	91.2	93.8	6.2	114
Bakeries	10.5	37.5	51.2	62.7	37.3	314
Printing and bookbindery	18.1	27.0	35.3	44.3	55.7	133
Factories	18.7	35.6	48.1	60.7	39.3	817
Laundries	9.7	34.3	54.5	69.2	30.8	381
Laundries (state)	18.1	49.4	68.7	87.2	12.8	336
Telephone	0.3	5.4	21.6	29.8	70.2	720
Total	18.52	34.59	48.47	60.60	39.40	4,244

(Pages 12-14. Totals computed from p. 11.)

* Denver only, except laundries.

Report of the Connecticut Commission to Investigate the Conditions of Wage-Earning Women and Minors, 1913.

Weekly Earnings of Women Employed in 5 In dustries.

Industries.	Per cent. of Workers Earning (Cumulative)							Total number investigated.
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	
Cotton	1.90	5.63	15.49	29.28	44.21	57.14	42.86	1,045
Silk	7.52	16.89	32.70	58.15	72.30	82.07	17.93	1,474
Metals	3.06	11.21	25.87	48.99	79.96	92.88	7.12	3,323
Corsets	9.13	20.12	32.60	50.14	66.42	82.81	17.19	1,739
Rubber	4.18	11.97	30.41	49.43	75.86	93.73	6.27	526
Total	5.10	13.49	27.52	48.40	70.79	84.20	15.80	8,107

(Computed from p. 17.)

Commission's estimate of minimum cost of living, $7.00 ("barely a living wage").*

* Page 16.

Bulletin of the United States Bureau of Labor Statistics, No. 116. April 8, 1913.

Weekly Earnings of Women Employed in District of Columbia.

Industries.	Per Cent. of Workers Earning (Cumulative)							Total number investigated.
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $10	$10 and over.	
Retail stores	13.82	30.52	45.43	60.64	72.10	85.36	14.64	2,670
Laundries	—	11.94	71.64	88.06	97.02	97.02	2.98	67
Printing	—	—	—	—	—	100.00	—	22
Confectionery	—	—	1.75	42.10	80.70	80.70	19.30	57
Tailoring	—	—	—	—	7.14	28.57	71.43	14
Supply house	—	67.62	78.41	83.45	87.77	94.24	5.75	139
Paper boxes	25.93	59.26	66.67	85.19	85.19	96.30	3.70	27
Total	12.55	31.14	46.36	61.45	72.83	85.88	14.12	2,996

(Computed from pages 21, 32.)

Bulletin of the United States Bureau of Labor Statistics, No. 160. October, 1914.

Weekly earnings of women employed in Indiana.

Industries.	Per Cent. of Workers Earning (Cumulative)							Total number investigated.
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	
Retail stores	14.5	27.8	37.2	48.9	59.0	67.4	32.6	711
Garment factories	17.2	27.5	40.3	52.8	65.5	75.4	24.6	5,843

(Pages 34, 74.)

Bulletins of the Massachusetts Minimum Wage Commission.

Weekly Earnings of Women Employed.

Industries.	Per cent. of Workers Earning (Cumulative) Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	Total number investigated.	Official minimum wages based on minimum cost of living and financial condition of the industry.*
Brush factories	17.6	42.7	66.2	79.0	88.6	93.0	7.0	597	15½c. per hour.†
Corset factories	9.6	20.0	35.5	53.5	68.7	83.6	16.4	2,110	8.00
Candy factories	23.1	49.0	69.6	83.3	92.1	97.5	2.5	3,326	8.50
Laundries	8.2	25.0	51.5	68.8	82.2	91.8	8.2	2,961	
Department stores	11.6	22.5	33.9	46.3	66.4	78.5	21.5	6,449	
5 and 10c. stores	8.4	49.8	84.4	92.8	95.9	97.6	2.4	418	
Paper boxes	16.1	30.2	44.5	60.4	75.7	85.4	14.6	2,178	
Women's clothing	15.2	31.4	50.1	64.4	78.1	87.9	12.1	1,961	
Hosiery and knit goods	11.8	24.0	40.7	59.0	74.3	86.6	13.4	3,460	
Total	13.47	29.02	46.39	61.47	76.33	86.65	13.35	23,460	(† $7.75 per week of 50 hours.)

Bulletins No. 1, p. 15; No. 2, p. 19; No. 4, p. 29; No. 5, p. 30; No. 6, p. 36; No. 6, p. 53; No. 8, p. 27; No. 9, p. 24; No. 10, p. 25. (Totals computed.)

*Report of the Massachusetts Minimum Wage Commission, 1915, p. 140 ff. See additional rates set by Commission for one year's apprenticeship.

First Biennial Report of the Minnesota Minimum Wage Commission, 1913-1914.

Weekly Wage Rates of Women Employed.
(Employers' Reports.)

Industries.	Per cent. of Workers Earning (Cumulative) Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	Total number investigated.	Official minimum wages based on minimum cost of living.*
First Class Cities:									
Manufacturing	0.4	2.7	11.7	26.2	40.9	53.8	46.2	8,377	$8.75
Mercantile:									
Wholesale	—	0.8	2.7	16.7	26.8	42.6	57.4	734	9.00
Retail	1.1	6.0	16.9	33.9	49.0	61.6	38.4	5,206	9.00
Total mercantile	1.0	5.4	15.2	31.8	46.3	59.3	40.7	5,940	9.00
†Total, all industries	0.6	3.7	13.1	28.5	43.1	56.1	43.9	14,317	—
Outside of cities of first class:									
Manufacturing	26.5	41.8	59.6	72.0	79.5	83.6	16.4	732	$8.25-8.00
Mercantile	13.0	23.9	39.2	52.5	65.7	75.0	25.0	476	8.50-8.00

Pages 14, 18. (Totals computed.)

* Minnesota Minimum Wage Commission, Orders No. 1, 2, 3, 4, 5, 6.
† Minor discrepancies between % and cumulative % column in printed table.

First Biennial Report of the Minnesota Minimum Wage Commission, 1913-1914.

Weekly Wage Rates of Women Employed. (Workers' reports.)

Cities.	Per Cent. of Workers Earning (Cumulative)							Total number investigated.
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	
Twin Cities	0.3	2.8	12.3	29.2	45.3	60.1	40.0	5,828
Duluth	1.8	11.1	19.1	29.6	43.6	54.1	46.0	621
Winona	1.1	23.7	32.3	51.7	71.1	82.9	17.1	93
Total	0.5	3.9	13.2	29.5	45.4	59.7	40.3	6,542

(Computed from p. 21.)

Report of the Missouri Senate Wage Commission, 1915.

Weekly Earnings of Women Employed in St. Louis.

Industries.	Per cent. of Workers Earning (Cumulative) Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	Total number investigated.
Men's clothing	—	27.86	—	50.60	—	73.64	27.09	1,569
Tobacco	—	20.00	—	56.26	—	78.52	21.48	1,415
Cotton	—	2.50	—	66.43	—	91.07	8.93	280
Drugs	—	16.69	—	68.84	—	90.46	9.54	629
Bakeries	—	19.02	—	45.90	—	76.26	23.74	573
Paper boxes	—	6.16	—	44.03	—	73.51	26.49	536
Candy	—	13.26	—	57.79	—	88.16	11.84	777
Total	—	18.57	—	54.52	—	79.51	20.49	5,779

Commission's official estimate of minimum cost of living, $8.53.

(Computed from pages 47 and 48.)

"The minimum cost of living for girls, according to the best estimates obtainable, is $8.53 per week in St. Louis, $8.50 per week in Kansas City, and probably $8. per week in the smaller cities of the State."

(Page 6.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV.

Industries.	Per cent. of Workers Earning (Cumulative) Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	Total number investigated.
Retail stores	7.5	17.8	28.8	43.1	56.5	67.5	32.5	31,517
Shirts	14.1	25.8	40.2	53.8	66.3	76.3	23.7	9,028
Paper boxes	9.7	22.18	39.6	55.5	66.7	77.8	22.2	7,389
Confectionery	13.7	31.3	54.8	70.5	80.8	88.	12.	5,396
Buttons	7.7	18.2	37.5	52.5	68.2	81.5	18.5	286
Millinery	12.6	20.2	29.	38.9	47.8	56.3	43.7	3,203
Total	9.68	21.08	34.53	48.72	61.20	71.61	28.39	56,819

(Pages 80, 195, 247, 317, 351, 384, 404.) (Totals computed.)

Commission's estimate of minimum cost of living, New York, $9, Buffalo, $8.20.

Report of the Industrial Commission of Ohio, No. 16, September 15, 1915.

Weekly Wage Rates of Women Employed.

Industries.	Per Cent. of Workers Earning (Cumulative)							Total number investigated.
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	
Bookkeepers, stenographers, etc.:								
18 years and over	1.1	2.9	7.0	14.5	24.1	35.2	64.8	24,442
Saleswomen:								
18 years of age and over	1.3	5.6	20.1	40.5	55.3	67.5	32.5	18,225
Other women workers:								
18 years of age and over	2.7	8.0	21.4	40.5	58.4	71.7	28.3	96,181
Total of foregoing:								
18 years of age and over	2.3	6.8	18.7	36.0	52.0	64.8	35.2	138,848
Mercantile establishments (1913):*								
18 years of age and over	3.5	10.3	21.4	36.8	51.9	63.9	36.1	14,635
Total	6.6	14.9	26.3	41.1	55.3	66.5	33.5	15,744

(Computed from pp. 16-17; pp. 22, 27, 150; p. 27; p. 27.)

*Data for 1913 from Report of Industrial Commission of Ohio, Department of Investigation and Statistics, Report No. 1, (1914), p. 9.

Report of the Social Survey Committee, Consumers' League of Oregon, 1913.

Weekly Earnings of Women Employed in Portland.

Industries.	Per cent. of Workers' Earnings (Cumulative)							Total number investigated.	Official minimum wages based on minimum cost of living.*
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.		
Department stores	.09	2.49	9.12	24.17	31.14	47.06	52.94	2,078	9.25
Factories	1.40	7.2	20.8	33.9	48.1	60.1	39.9	427	8.64
Laundries	—	—	—	20.6	47.7	76.9	23.1	140	8.64
Stenographers	—	—	1.1	3.5	9.3	14.0	86.0	85	40.00 monthly
Other office employees	—	—	2.3	12.5	18.0	37.7	62.3	126	40.00 "
Printing	—	—	—	19.2	26.3	50.8	49.2	57	
Telephone operators	—	—	—	17.2	26.8	40.3	59.7	52	8.64
Hotels and restaurants	—	—	.46	4.2	5.6	14.5	85.5	213	8.64
Total	0.25	2.61	8.93	22.80	31.23	46.73	53.27	3,178	

(Pages 25, 31, 35, 37, 36, 40, 41, 43. Totals computed.)

* Industrial Welfare Commission, Orders Nos. 7, 9, 13, 17, 15, 19. See additional rates set by Commission for one year's apprenticeship.

Bulletin of the Pennsylvania Department of Labor and Industry, January, 1915.

Weekly Wage Rates of Women Employed in 5 Philadelphia Department Stores.

Occupations.	Per cent. of Workers Earning (Cumulative)							Total number investigated.
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.	
Messengers	94.3	100.	100.	100.	100.	100.	0	288
Inspectors, wrappers and cashiers	7.1	38.5	52.2	63.9	87.2	97.4	2.6	929
Tube cashiers	—	—	—	51.1	78.8	89.0	11.0	137
Stock clerks	12.8	41.1	57.8	66.8	76.4	83.3	16.7	389
Saleswomen	—	0.3	1.7	8.7	27.5	55.8	44.2	3,925
Clerical workers	9.9	20.4	34.8	50.7	65.6	78.5	21.5	1,857
Total	7.4	16.5	23.4	33.6	50.9	70.6	29.4	7,525

(Computed from p. 59.)

Official estimate of minimum cost of living $8.53.*

(* Pages 95-96.)

Report of the Washington Industrial Welfare Commission, March, 1914.

Weekly Earnings of Women Employed.

Industries.	Per cent. of Workers Earning (Cumulative)							Total number investigated.	Official minimum wages based on minimum cost of living.*
	Under $4	Under $5	Under $6	Under $7	Under $8	Under $9	$9 and over.		
Retail stores†	1.	4.66	9.64	20.40	31.60	45.09	54.91	5,323	$10.00
Factories	—	3.9	10.8	23.7	38.3	61.7	38.3	1,753	8.90
Laundries	—	1.3	5.2	14.9	39.2	61.5	38.5	2,304	9.00
Telephone operators	—	—	—	—	—	—	—	—	9.00
Office workers	—	—	—	—	—	—	—	—	10.00

(Per cents. computed from pages 18, 21, 24, 30.)

* Industrial Welfare Commission, Orders Nos. 1, 3, 5, 7, 10. See additional rates set by Commission for Minors.
† 5 and 10c. stores included.

(2) Paying the Deficit. Underpaying Industries are Subsidized.

(a) The direct tax upon the state: the increase in public expenditures.

Wages are a legitimate charge on any industry like other fixed charges. An industry paying less than a living wage to its workers is receiving a subsidy from some source. The workers in such a trade are supported or assisted by public or private aid. Public aid entails increased public expenditures, such as charges for hospitals, charities or reformatory work. The repair of the physical or moral deterioration due to underpayment thus constitutes a direct public tax. The state pays the deficit; the underpaying industry, in effect, receives a subsidy to maintain its employees.

Conversely, when wages rise, the State benefits. Public expenditures decrease. Thus for instance, in Great Britain the reports of the local government boards for 1915 show a marked decline in expenditures for pauperism, owing to increased wages and greater regularity of employment. The President of the Local Government board for England and Wales states that after 10 months of war, the figures in regard to pauperism are "the lowest figures in the returns for a period of forty years".

Report of the Local Government Board for Scotland, 1915. Unwin, London, 1916.

Compared with 1914 there has been a decrease in the number of poor chargeable to Parish Councils. This decrease, which is confined to industrial areas, is due partly to a reduction in the number of applications for relief, and partly to the removal from the Roll of a number of poor who had become chargeable mainly on account of their inability to obtain employment. It is to

be noted that in rural districts pauperism remains practically unchanged. (Page x.)

The figures show a decline in pauperism. The causes of this decline may be variously accounted for. The great demand for labour, greater regularity of employment, and the comparatively high wages offered have enabled, and indeed induced, many of the vagrant and casual poor to take their places as wage-earners. Army enlistments, too, have not been without effect. Army allowances are now being paid in respect of the wives and children of soldiers in many cases where formerly the family income was supplemented from parish funds. (Page xi.)

Comparison between Number of Poor in 1915 and Previous Years.

Poor of all Classes.

The subjoined Table shows the number of poor, and their dependents, at 15th May, as returned to us for the past five years, and the ratio of persons in receipt of Parochial Relief per 1,000 of population:

Years.	Number of poor at 15th May.	Their dependents.	Total.	Estimated population.	Ratio of persons in receipt of parochial relief per 1000 of population.
1911	65,021	41,230	106,251	4,760,904	22
1912	66,389	41,109	107,498	4,735,322	23
1913	65,259	38,315	103,574	4,722,376	22
1914	65,956	38,168	104,124	4,747,167	22
1915	65,298	37,774	103,072	4,785,598	22

It will be observed that during the past year there has been a decrease of pauperism of 1,052.

The number of paupers has decreased by 658, and the number of dependents has decreased by 394. (Page xiii.)

It will also be seen from the chart that pauperism in 1914-15 was considerably less than the average for the five years 1909-10 to 1913-14 inclusive. (Page 4.)

Increase in Public Expenditures.—Great Britain

Proportion of Paupers Per 1,000 of Population.

	1914-15	1913-4	Average 1909-10 to 1913-14
April	17.0	17.4	20.0
May	16.8	17.0	19.5
June	16.7	16.8	19.3
July	16.6	16.4	19.0
August	17.4	16.5	19.0
September	17.2	16.6	19.1
October	17.0	16.7	19.3
November	17.1	17.0	19.7
December	17.1	17.1	19.8
January	17.1	17.5	18.6
February	17.1	17.5	18.5
March	16.8	17.4	18.5

(Page 5.)

The contraction of employment caused by the outbreak of war, proved to be less serious than might have been anticipated. The immediate reduction which followed the declaration of war was soon equalled by the number of workmen who joined the Naval and Military Forces; while the depression experienced in certain trades was counteracted by great activity in the industries engaged in fulfilling Government orders. Thus employment at the end of October had reached practically the same level as in the period before the war. . . . Employment in January showed a further improvement. (Page 67.)

As pointed out in the Board of Trade Report, the war has actually reduced the numbers unemployed in July by absorbing a proportion of them into industry, and while some trades have had to dismiss employees "the requirements of the Government have undergone so great an expansion that, when account is taken of the numbers joining the Forces, the labour market presents the appearance of a trade boom". (Page 68.)

Increase in Public Expenditures.—Great Britain

The Board of Trade Labour Gazette. August, 1916.

Statistical Tables. Changes in Rates of Wages and Hours of Labour. (Based on Returns from Employers and Workpeople).

The increases in rates of wages (including war bonuses) reported to the Department as taking effect in July affected about 340,000 workpeople, and resulted in a total increase of nearly £55,000 per week.

The industries which accounted for the largest numbers of workpeople affected were building (68,000), coal mining (55,000), transport (over 50,000 dock labourers, etc.), and engineering and ship repairing (40,000). Important changes were also arranged during July (antedated to take effect from 2nd June) affecting the dyeing and kindred trades.

Changes in January-July.—The total number of workpeople affected by the changes in wages which have been reported to the Department as taking place during the seven months ended 31st July, 1916, was nearly 2,360,000, of whom practically all have received a net increase. The net effect of all these changes was an increase of over £303,000 per week.

The extent to which the different groups of trades have contributed to these totals is shown below:

Groups of trades	No. of workpeople affected	Amount of net increase per week £
Building	154,000	23,300
Coal mining	852,000	138,500
Iron and other mining	21,000	5,500
Quarrying	6,000	1,100
Pig iron manufacture	24,000	5,500
Iron and steel manufacture	75,000	19,800
Engineering and shipbuilding	169,000	13,300
Other metal	59,000	10,800
Textile	675,000	49,000
Clothing	62,000	5,400
Transport	108,000	17,400
Printing, paper, etc.	22,000	2,000
Glass, brick, pottery, chemical, etc.	53,000	3,400
Other trades	38,000	4,600
Local authority services	38,000	3,900
Total	2,356,000	303,500

(Page 291.)

Pauperism in the United Kingdom. (Data Supplied by the Local Government Boards in England, Scotland and Ireland).

The number of paupers relieved on one day in July, 1916, in the 35 urban districts named below correspond to a rate of 151 per 10,000 a decrease of 2 per 10,000 on a month ago and of 18 per 10,000 on a year ago.

Compared with the previous month, the total number of paupers relieved decreased by 3,760 (or 1.3 per cent). The number of indoor paupers decreased by 1,330 (or 1.0 per cent.), and the number of outdoor paupers by 2,430 (or 1.6 per cent.). Every district—except Halifax and Huddersfield, Hull and Belfast which showed no change, and Aberdeen and Galway, where there was an increase of 1 and 3 per 10,000 of population respectively—showed a decrease. The largest decreases were in Bradford, Dublin and Cork districts (5 per 10,000 of population).

Compared with July, 1915, the total number of paupers decreased by 30,865 (or 10.0 per cent.). The number of indoor paupers decreased by 10,123 (or 7.1 per cent.), and the number of outdoor by 20,742 (or 12.4 per cent.). There was an increase of 3 per 10,000 of population in Galway district, but every other district showed a decrease; the largest decreases were in Stockton and Tees district (38) and Central Metropolitan district (31). Eleven districts showed a decrease of 20 and under 30 per 10,000, and 21 under 20 per 10,000. (Page 299.)

Increase in Public Expenditures.—Great Britain

Selected Urban Districts.	Paupers on one day in July, 1916. Indoor.	Outdoor.	Total.	Rate per 10,000 of estimated population.	Inc. (+) or Dec. (—) in rate per 10,000 of population as compared with a Month ago.	Year ago.
England and Wales—						
Total, Metropolis [Condensed]	55,760	23,759	79,519	176	—2	—20
West Ham	4,098	9,262	13,360	175	—3	—24
Other Districts—						
Newcastle District	2,042	3,491	5,533	114	—1	—22
Stockton and Tees District	1,015	2,803	3,818	151	—2	—38
Bolton, Oldham, etc.	3,639	3,001	6,640	82	—1	—14
Wigan District	1,756	4,447	6,203	141	—1	—13
Manchester District	8,338	5,250	13,588	132	—1	—18
Liverpool District	9,231	10,226	19,457	171	—3	—17
Bradford District	1,833	1,409	3,242	87	—5	—12
Halifax and Huddersfield	1,074	2,203	3,277	85	—	—11
Leeds District	2,203	2,669	4,872	101	—2	—16
Barnsley District	767	2,770	3,537	114	—2	—11
Sheffield District	2,584	2,951	5,535	112	—2	—19
Hull District	1,673	4,917	6,590	280	—	—16
North Staffordshire	1,837	4,265	6,102	150	—4	—22
Nottingham District	1,799	3,638	5,437	117	—1	—13
Leicester District	1,274	2,304	3,578	152	—3	—24
Wolverhampton District	3,221	5,594	8,815	127	—2	—22
Birmingham District	6,120	3,653	9,773	115	—1	—23
Bristol District	2,567	3,393	5,960	152	—2	—15
Cardiff and Swansea	2,168	5,003	7,171	160	—1	—22
Total "Other Districts"	55,141	73,987	129,128	129	—2	—18
Scotland [Condensed]—						
Total Scottish Districts	6,220	29,831	36,051	178	—2	—15
Ireland [Condensed]—						
Total Irish Districts	11,171	9,721	20,892	186	—3	— 9
Total for the above 35 Districts in July, 1916	132,390	146,560	278,950	151	—2	—18

(Page 299.)

Problems of Living in War Time and After. R. Saunderson. *Charity Organization Review, London, February, 1916.*

To us, who are interested in social conditions, the most striking change brought about by the war has been the almost complete disappearance of unemployment and the distress caused by it among the industrial classes. There is a bitter irony in the reflection that a problem which has baffled statesmen and philanthropists for so many years should have been solved, at any rate for the moment, by so tragical a means.

Evidence of the unprecedented prosperity which the war has brought to the poorer classes is hardly needed, but it may be interesting to have the statistics that are forthcoming from official sources.

(1) The Local Government Board Returns show that at the end of October, 1915, the number of paupers in England and Wales was 562,494 as compared with 616,528 in 1913, and the rate of pauperism was 15.2 per 1,000 inhabitants. This is the lowest actual number and the lowest rate since 1875, when the Return was first issued. The able-bodied pauper has ceased to be.

(2) The number of Distress Committees (Unemployed Workmen Act) whose registers were open at the end of November, 1915, was seventeen, as compared with eighty-two last year. The total number of persons who received unemployment relief during November was fifty-one, as compared with 8,000 a year ago.

(3) The number of necessitous children receiving school meals in London in the last week of November, 1915, was 14,371 out of some 700,000 on the rolls. In normal times the number would be over 40,000. . . .

With regard to wages in the principal industries, it appears that during the eleven months ended November 30, 1915, the total number of workpeople whose rates of wages were reported to have changed was over 2,930,000 and the net effect of the changes was an increase of over £564,000 per week. It should be noted that "these amounts are exclusive of increased earnings due to overtime and also of changes affecting agricultural labour-

ers, seamen, railway servants, police, and Government employees. It is known, however, that the majority of workpeople in each of these occupations have received increases or war bonuses." (Pages 83-84.)

Annual Report for 1915 of the Chief Medical Officer of the Board of Education [*England and Wales*]. *London, 1916.*

The increase in the activities of Local Education Authorities under the Education (Provision of Meals) Acts 1906 and 1914, which took place during the autumn of 1914, consequent on the outbreak of war, subsided rapidly in the early months of 1915. At one time during the period no fewer than 195,000 children in Public Elementary Schools were in receipt of daily free meals. In December, 1914, this number began to decline, and according to the latest available figures, those in respect of the week ending July 22, 1916, the number of children receiving free meals was 22,615. The cause of the rapid decline in the number of children fed was due to the payment of the separation allowances and to the current high wages. The following table summarizes the chief facts in connection with this service for the years ending 31st March, 1914, 1915 and 1916:

Year	No. of children fed	No. of meals Supplied	Average number of meals supplied per child fed	Average total cost per meal	Average cost per meal for food only	Expenditure of L. E. As.			No. of L. E. As. which recd. Grant	Amount of Grant		
				d	d	£	s	d		£	s	d
1913–14	156,531	14,525,593	93	2.43	1.16	143,857	6	3	97	71,383	1	11
1914–15	422,401	29,560,316	70	2.47	1.51	298,237	11	4	136	148,753	19	7
1915–16	117,863	9,914,095	84	4.13	2.29	159,916	7	9		(Grants in process of payment)		

(Pages 87-88.)

Hansard's Parliamentary Debates. N. S. Vol. 72, 1915.

Mr. Walter Long, President of the Local Government Board:

It is a remarkable fact that today, after ten months of War, and when this country has been called upon to make enormous sacrifices, that the general condition of the country in regard both to unemployment and to poverty is better than it has been for forty years. I was looking today at the figures for England and Wales and for the Metropolis in regard to pauperism, and it is a remarkable fact, for which I think we have great reason to congratulate ourselves, that the figures in regard to England and Wales are 16 per 1,000 and for London 20.3 which are the lowest figures in the returns for a period of forty years. As regards unemployment, it is not necessary to quote figures, because the facts speak for themselves far more eloquently than any figures can do. Everybody who has made even the most cursory examination of the question of labour and unemployment knows that the country is not at present in a condition of unemployment, but that the difficulty is to find adequate labour for the work there is to be done. (Page 1360.)

. . . Therefore, we may congratulate ourselves, not only as a Department and as the House of Commons, but as a country as a whole, that the record is as good and as wonderful as it is revealed by the figures in regard to pauperism which I have quoted and the facts known to everybody in regard to unemployment and to labour generally. (Page 1361.)

Work and Wealth: A Human Valuation. J. A. Hobson. *Macmillan, New York, 1914.*

It would obviously be bad public economy to break down the lives and homes of public employees by underpaying or overworking them, or by dismissing and leaving them to starve when work was slack. For what was saved in the wage-bill of the particular department,

would be squandered in poor-law, police, hospitals, old-age pensions, invalidity and employment relief. Nor is that all. A mass of ill-paid ill-housed workers, alternately overworked and out of work, stands as a chief barrier in every one of those paths of social progress and national development which modern statecraft sets itself to follow. The low wage of unskilled labour is today a source of infinite waste of the forces of national education. Still keeping our argument upon the narrowest lines of economy, we plainly realize that the financial resources, upon which the State can draw for all her services, depend in the last resort upon the general economic efficiency of the working population, and that a system of public employment which was, however indirectly, detrimental to this health, longevity and intelligence, would rank as bad business from the public standpoint. (Pages 194-195.)

Fourth Report of the New York Factory Investigating Commission, 1915. Vol. I. Report of Commission.

The arguments in support of wage legislation may be summarized as follows:

The conditions which exist to-day in the so-called sweated industries are such that if they are continued, there will be an ever increasing number of dependent classes for which increased appropriations must be made by the State, the ultimate cost of which would fall upon the consumer in the form of taxes. "Our dangers with the dependent classes which we are producing, by just such conditions as the Minimum Wage Law is endeavoring to remedy, will become so great that society cannot bear it. We cannot by any process of public or private charity carry the load we are creating under our industrial conditions. We will pay the price at compound interest, not only compound interest, but with compound interest at usurers' rates." But if the welfare of the State required it, might it not be best for the consumer to pay in a small increase of cost instead of an increase of taxation to repair human waste? (Page 45.)

"Any woman or child can handle this machine," is an advertisement frequently seen; and followed to its logical conclusion it would mean child labor displacing man and woman labor. This the State has guarded against through its child labor laws. It must guard against low wages in the same way, for it pays the penalty in the loss of a well balanced manhood and womanhood due to the disintegrating effects of these low wages. Hospitals, reformatories, asylums and prisons paid and cared for by the State, are inevitable results of low wages, and long periods of idleness. (Page 49.)

Ibid. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of E. W. Kemmerer, Professor of Economics and Finance, Princeton University.

The manufacturer conserves his machines because they belong to him and when they are worn out he must buy new ones, and he sets aside a part of his profits every year to cover their depreciation, so that when the old ones are worn out funds are at hand for new ones. The case of purchasing labor on the other hand is like renting a machine without financial responsibility for the condition in which it is returned. The employer in sweated industries for example has little selfish motive in maintaining the future efficiency of his "human machines" since they do not belong to him, and when they have been exploited to the limit they can be thrcwn upon the scrap heap and be replaced by others. Society, however, must meet the "depreciation charges" in the form of charities and institutions for the care of defectives and criminals. The social expense of such exploitation is often a continuing one, since the victims are not only those who have been themselves exploited but often also their children. (Pages 614-616.)

Statement of John A. Kingsbury, Commissioner of Charities, New York City.

I want to go on record as one strongly in favor of minimum wage legislation. It has been in force in Washington, Oregon, Minnesota and Massachusetts, long

enough to show that the machinery is workable in this country, though the Commissions are too recent to have produced conspicuous results. The point is that the method works.

We have, from year to year, steadily increasing numbers of dependent persons in my department, not suddenly this year more than last, but steadily increasing every year.

Much of this dependence is unquestionably due to underpay, particularly of women and girls. The consequences of underpay are so obvious as hardly to need enumerating, such as underfeeding, comfortless, unwholesome dwelling accommodations, insufficient clothing. Pneumonia running into tuberculosis has been a wholesale incident of winter and spring among wage earners ever since Colonel Waring pointed it out years ago.

The burden of all the consequences of underpay finally gets upon the city. We have the hospitals to maintain including the tuberculosis sanatoria and clinics, and the wards for the insane and the melancholy, besides all these patients in the general wards, the primary cause of whose presence in the hospitals is debility. No one disputes that poverty is a continuing predisposing cause of all this chronic and acute illness. What we need to do is to try to stop all that part of it which is due to underpay.

The Children's Bureau of this department carries another heavy burden which should be placed upon the parents. At the present time we know in a general way that many of the parents are themselves victims of underpay. A minimum wage commission should in a few years relieve the Bureau of a considerable part of its work by leveling up the lowest grades of earnings.

The dependent prematurely aged now supported by the city are certainly in some measure traceable to precarious underpaid employment. It behooves us to apply without delay a method which other countries, and several of our own States, are already finding useful for diminishing the extent of suffering of this kind, and the financial burdens it entails upon public and private charity.

Why should not our industries pay for themselves? Why should they be allowed to go on longer creating these burdens?

I hope the record of the Factory Investigating Commission's accomplishments may be crowned by the creation, in 1915, of a Minimum Wage Commission. New York City's Department of Charities needs such reinforcement and relief. (Pages 709-711.)

Statement of D. J. McMahon, Supervisor of Catholic Charities, New York City.

A gratifying advance has been made towards the realization of human standards in recent years and we are drawing away gradually from forming that sodden mass of deep-set poverty existing, as has been pictured to us in parts of London and toward which we were surely approaching owing to the want of exercise in full justice.

The laws which related to child labor, safety and sanitation, to shorter work hours for men and women, to remove the dangers in the poisonous trades, and to the highly prized workmen's compensation, have won plaudits from all classes and we trust the day will not be long distant when that great prize of minimum wage shall be established and thus place upon the shoulders of justice what charity has had so long to bear. . . .

The extent of the evils to which the absence of the minimum wage reaches is a wide area to be measured only by your efforts. In its intensity there is a wholesale poverty, sickness, inefficiency, despondency, crime open and private, degradation and constant revolting against authority even to the growth of anarchy and rebellion. . . .

It has been established that there is a lack of standards for the regulation of wages and a consequent reduction for the profit of the master without much regard to the fact that tuberculosis and other diseases incident to the poorly nourished worker are rife among these workers who are seeking help from hospitals, and charitable care. (Pages 718-719.)

Statement of Gaylord S. White, Headworker, Union Settlement, New York City.

As a result of my experience as a resident for many years in a tenement section of this city, I believe that the present conditions in industry demand further legislative regulation in the direction of establishing in certain industries, at least for women and minors, a minimum wage. If I am correct in my estimate of the situation a measure of this kind is needed both for the protection of the individual workers and also for the protection of society. It cannot be denied that wages insufficient for the maintenance of even an approximately satisfactory standard of living are received in the case of many thousands of workers. . . . Any settlement worker of experience can number among his neighbors many persons who are forced to eke out an existence on insufficient earnings. It is the human aspect of the problem that is brought home most forcibly to us.

Has any industry a right to thrive at the expense of its workers? Will not society be obliged to face squarely the question of the wisdom of allowing an industry to flourish while it pays starvation wages, which fact, translated into human terms, means that men and women and children are underfed, insufficiently clothed, improperly housed, denied opportunities of spiritual development and destined to become dependent upon private or public charity, as they fill our hospitals and asylums? If minimum wage legislation forces us to look such facts as these fairly in the face and devise constructive measures of social insurance it will be well worth while. Such questions can no longer be ignored. They must be dealt with on broad and constructive lines. (Pages 738-740.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. V. Public Hearing.

Miss Nelle Swartz, Executive Secretary, Consumers' League of New York City:

. . . In some testimony which was given on Thursday it was stated that if the minimum wage is estab-

lished the cost of the increased wage would naturally come back upon the public or on the consumer, and the point which I wish to emphasize this morning is, that the public is paying for this now, paying for it through the wide variety of charity which this city offers. Any industry which is not paying to its workers a living wage is placing an undue burden upon charity, and is in addition a parasite upon the community. To illustrate my point I wish to quote from the New York *Times* of December 13th where a description of 100 needy families of New York City is given. These families were selected for the New York *Times* by the Association for the Improvement of the Condition of the Poor, Charity Organization Society and State Charity Association, three of the largest relief societies of New York City. Out of these 100 cases, as I said, in the New York *Times*, in 70 of them women are the wage earners in the family. I just wish to quote several of these cases to give you an idea. In one case where the father is ill the mother has one small child dependent upon her. The woman is working in a factory earning $4 a week. The church helps with a weekly allowance of $4.50 a week. The Charity Organization Society appeals for $50 to supplement the woman's earnings. There is still another, the father is dead. There is a woman and two small children. She works in a tie factory earning 80 cents a day and the State Charities Aid Association appeals for help. In still another case the only support of the family is a young girl who is working in a New York City department store earning $4 a week as a cash girl. The Charity Society Organization appeals and asks the public to supplement her earnings to the extent of $15 a month. And in still another, the father has heart disease. He is in a public sanitarium and four of the five children have been placed in public institutions. The mother is supporting a fifth child, but her meagre earnings can only pay for food for herself and baby, and the State Charities Aid Association asks the public to supply her with clothing. I have just given a few of these. There are many more of them I might cite.

Are we not therefore creating these conditions which we are called upon later to alleviate. . . . (Pages 2846-7.)

Report of Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

Wherever the wages of such a woman are less than the cost of living and the reasonable provision for maintaining the worker in health, the industry employing her is in receipt of the working energy of a human being at less than its cost, and to that extent is parasitic. The balance must be made up in some way. It is generally paid by the industry employing the father. It is sometimes paid in part by future inefficiency of the worker herself and by her children, and perhaps in part ultimately by charity and the State. The commission believes that our industries in general are not dependent upon such underpaid labor and that by gradual adjustment of wage scales the present unfortunate condition in a number of employments could be improved without injury to the employing interests. If an industry is permanently dependent for its existence on underpaid labor, its value to the Commonwealth is questionable. (Page 17.)

Through the co-operation of several of the charitable agencies of Boston, facts were obtained concerning the average weekly earnings of all women workers, exclusive of those in restaurants and at domestic service and cleaning by the day, who were members of families which were being assisted on September 1, 1911.

Of these 468 recipients of charitable assistance one-half worked for a wage of less than $6 a week. Only 13.7 per cent. had $8 or more. On these wages charity was necessary. They are very little less than the earnings of the laundry hands and more than those of the candy-workers. It may be judged that when wages are so low the question as to whether a family may be spared from seeking charity depends on other circumstances. The healthy family, with a fair proportion of wage-earners

to persons to be supported, and whose wage-earners have steady work, may get on without help; so may the family that has one well-paid member to subsidize the others. Again, families may be privately assisted by generous friends, neighbors and relatives who are somewhat better off; others may eke out by vice. But however it is done, such wages are supplemented by society to the extent of the cost of living of the wage-earners and their families minus what is skimped out of their health and strength and energy. (Page 236.)

A Minimum Wage for Workers. H. La Rue Brown, *Chairman of Massachusetts Minimum Wage Commission. City Club Bulletin of Philadelphia, January 27, 1913.*

The law of the conservation of energy, of human energy, if you like, is as true in social dynamics as it is anywhere else. That difference between what the girl gets and what she must spend is going to come from somewhere. Where is it going to come from?

. . . We found that in Massachusetts we were paying over five million dollars ($5,000,000) a year for dependents and delinquents in public institutions, and that takes no account whatever of the millions that are spent in private charities. That is where the business side of a decent wage begins to come into play, because that five million dollars ($5,000,000) and the other millions spent in private charities come from taxes, from the pockets of you and me. There is no use in arguing about it; it is not sentimentalism at all. There is the money spent, and it is our money, and that is the beginning of the business side. (Pages 199-200.)

The Wage-Earner and His Problem. John Mitchell. *P. S. Ridsdale, Washington, D. C., 1913.*

Can any special reasons be offered by government for interfering in the rates of wages? To this, the reply may in part be arrived at by contemplating the effects

upon the state (society organized for the purposes of government) in the case of wages insufficient to maintain wage-earners independently of public assistance. Surely, if society is continuously to be called in to piece out the cost of the maintenance of a class of its members, it has a just and serious concern in all the conditions of the labor of that class. It might be better—at times assuredly would be better—to support entirely non-self-sustaining persons rather than to permit them, through their unpaid labor, at once to semi-pauperize themselves and to put in jeopardy, through their destructive competition, the wage-rates and, consequently, the well-being of their fellow-workers in general, who usually obtain a higher scale. Here, regarding its special wards, the state, mindful above all of a defense of its own future, might prescribe extraordinary protective measures. (Page 99.)

Massachusetts Minimum Wage Commission. Bulletin No. 3. August, 1914. Statement and Decree Concerning the Wages of Women in the Brush Industry in Massachusetts. Appendix No. 1. Extract from the Report of the Brush Makers' Wage Board to the Minimum Wage Commission, March 17, 1914.

Section III. Subsidies to Industry.

If an industry cannot pay for the human endeavor it uses, it is time to ask the effect of such an industry upon public welfare. Who, if anybody, is paying the sum it does not pay toward making up the amount needed to prevent bodily and mental deterioration? The difference between what is necessary and what the industry pays can come only from one of four sources:*

(*a*) Direct charity.

(*b*) A direct subsidy to the worker through state aid. . . . (Page 21.)

* See also p. 421.

Industrial Democracy. SIDNEY AND BEATRICE WEBB. *Vol. II. Longmans, Green and Co., London, 1897.*

If the community choose to give to all the employers in a particular industry an annual bounty out of the taxes, or if it grants to all the operatives in that industry a weekly subsidy from the Poor Rate in aid of their wages, it is obvious that this special privilege will, other things being equal, cause the favored industry to outstrip its rivals. The subsidy or bounty will enable the endowed manufacturers to bribe the public to consume their article, by ceding to them what they have not paid for. An analogous advantage can be gained by the employers in a particular trade if they are able to obtain the use of labor not included in their wage-bill. Under the competitive pressure described in our chapter on "The Higgling of the Market" some of the unregulated trades become, in fact, parasitic. This occurs in practice in two distinct ways.

We have first the case of labor partially subsidized from the incomes of persons unconnected with the industry in question. When an employer, without imparting any adequate instruction in a skilled craft, gets his work done by boys or girls who live with their parents and work practically for pocket-money, he is clearly receiving a subsidy or bounty which gives his process an economic advantage over those worked by fully paid labor. . . . The employer of adult women is in the same case where, as is usual, he pays them a wage insufficient to keep them in full efficiency, irrespective of what they receive from their parents, husbands, or lovers. In all these instances the efficiency of the services rendered by the young persons or women is being kept up out of the earnings of some other class. These trades are therefore as clearly receiving a subsidy as if the workers in them were being given a "rate in aid or wages." The employer of partially subsidised woman or child labor gains. . . . actually a double advantage over the self-supporting trades: he gets without cost to himself the extra energy due to the extra food, and he abstracts—possibly from the workers at a rival process, or in a competing industry

—some of the income which might have increased the energy put into the other trade. (Pages 750-752.)

. . . To maintain our industrial invalids, even in idleness, from public funds, involves a definite and known burden on the community. To allow them to remain at large, in parasitic competition with those who are whole, is to contaminate the labor market, and means a disastrous lowering of the Standard of Life and Standard of Conduct, not for them alone, but for the entire wage-earning class.*

Thus, in our opinion, the adoption of the Policy of a National Minimum of education, sanitation, leisure, and wages would in no way increase the amount of maintenance which has to be provided by the community in one form or another, for persons incapable of producing their own keep. It would, on the contrary, tend steadily to reduce it, both by diminishing the number of weaklings or degenerates annually produced, and by definitely marking out such as exist, so that they could be isolated and properly treated. (Pages 787-789.)

Sweated Industry and the Minimum Wage. Clementina Black. *Duckworth & Co., London, 1907.*

. . . The underpaid worker who fails to be wholly supported by the proceeds of his own labor is inevitably supported in part out of the pocket of some other person or persons. Moreover, both the health and the work of the underpaid worker presently deteriorates. He contributes less than he might and ought to the general wealth, and, by and by, when his health fails sufficiently, he becomes a charge upon the public. (Page 170.)

"A trade which can only live by means of inadequate

* If the wages of every class of labor, under perfect competition, tend to be no more than the net produce due to the additional labor of the marginal laborer of that class, who is on the verge of not being employed at all, the abstraction of the paupers, not necessarily from productive labor for themselves, but from the competitive labor market, by raising the capacity of the marginal wage-laborer, would seem to increase the wages of the entire laboring class. Sidney and Beatrice Webb, Industrial Democracy, Trades Unionists' Edition, p. 749.

wages and cheap, squalid, unhealthy buildings is doomed." Such a trade, while it still endures, is not really a source of national profit. The workers whose lives it drains, not being supported by the price for their labor, must come eventually to be partly or wholly supported by other people. They are, in fact, a national burden, whether the charge is nominally borne by the State, or by private citizens. Poverty, dirt and disease are very costly to the country in which they prevail; and they are inevitable results of under-payment. (Pages 266-67.)

Sweating. Edward Cadbury *and* George Shann. *Headley Bros., London, 1907.*

Large sums of money are spent yearly in charity and Poor Law relief, out of which these underpaid workers are subsidized. This is a fact known to all who have reflected on the matter at all and who have the slightest acquaintance with the life of the very poor. For example, Miss Irwin reports that "the returns of the inspectors of the poor show that many outworkers, who are in receipt of wages too small to support them though working full time, are helped from the rates. Moreover, although to an extent which it is impossible to ascertain, many of the outworkers on low wages are assisted by the churches and by charities. Here evidently part of the wages is paid by outsiders, and in such cases it has generally been recognized that there is no natural economic limit to the possible reduction of wages except the resources of the Poor Law authorities and the charitable. The cheapness of goods made in such circumstances is balanced by the increase in Poor Rates and in the demands on the benevolent." (Pages 58-59.)

Charity and poor-relief that is given to this class has little, if any, permanently good effect. It merely helps to perpetuate the evil conditions, and becomes a rate in aid of inadequate wages. The effect of charity is almost always demoralizing. When once it has been accepted the tendency is for the recipient to depend on it in the future. This is a great danger at the present time, and reformers realize that something more radical than charity is

needed; that soup-kitchens and even doles by municipalities in the shape of rate-aided work, are not sufficient. We must start at the other end and recognize that any trade that does not pay a living wage to its workers is a parasite on the community. The employer in such a trade obtains labor for which he does not pay in his wages bill, and so is enabled to compete unfairly with those trades in which better conditions prevail. He deteriorates the health, vigour, intelligence and character of his employees, and in so doing his trade is a parasite on the present and future of the nation. . . . (Pages 64-65.)

There is also direct competition in another way between low-paid and better-paid industries. A sweated trade is analogous to a bounty-fed industry, and therefore persists when, under free competition, it would have to give way. When a trade is built up by means of bounties paid by the Government, it is clear that, other things being equal, if the bounty were withdrawn some at least of the firms engaged in the trade would be unable to successfully carry on their business. But it is agreed by economists that such bounties do not increase the total amount of the trade of the country, for the money paid in bounties is withdrawn from other trades, which presumably work under more economic conditions. Any decline in the bounty-fed trade due to a withdrawal of the bounties must tend to a redistribution of capital in favor of the trades which are not subsidized.

And so it is in regard to sweated trades and their competition with other trades in which fair conditions prevail. The subsidized sweated trade has a distinct advantage in the market, and undoubtedly affects to their disadvantage those trades which work under conditions and restrictions imposed by trade unions and legislation. (Pages 88-89.)

Report of Conference on a Minimum Wage. National Anti-Sweating League. London, 1907.

It is obvious that the competition of the sweated branches of trades with those which are organized, and demand a standard rate, is disastrous. The existence of

this mass of labor on which employers can fall back for the purpose of introducing competitors in a trade struggle is serious enough, but at all times the fact that the cheapest labor is in many instances doing practically the same work as the better paid and regulated is a constant menace to "wages". The direct effect of this competition in affected trades is the most obvious, but it must not be forgotten that its effect on the whole trade of a country is, though less obvious, quite as serious. The position occupied by the lowest strata of labor must affect the whole, and the fact that there are thousands of persons unable to obtain a remuneration sufficient for more than bare existence affects also the position of the most highly organized and skilled trades, such as the textile operatives, the miners, or the engineers.

From the chaotic mass springs evil in every form—hospitals and workhouses are recruited by the under-fed, overworked men and women; instances are given in H. M. Chief Inspector's report for 1895 of the deterioration in health of girl workers rendered unemployable by overwork; stunted, untrained children are turned into the labor market, and the overwork of women and the competition of children meets with its necessary corollary in the great army of the unemployed. (Pages 35-36.)

British Sessional Papers. Vol. VIII. 1908. Report from the Select Committee on Home Work.

. . . If "sweating" is understood to mean that work is paid for at a rate which, in the conditions under which many of the workers do it, yields to them an income which is quite insufficient to enable an adult person to obtain anything like proper food, clothing and house accommodation, there is no doubt that sweating does prevail extensively. . . .

The consequence is that, when those earnings are their sole source of income, the conditions under which they live are often not only crowded and unsanitary, but altogether pitiable and distressing, and we have evidence that many are compelled to have recourses to poor-law or charitable "relief". (Page III.)

Is there any prospect that these people, with the aid of such voluntary and philanthropic assistance and co-operation as is, or would be, available, will materially improve their own condition, and, to any appreciable extent, extricate themselves from the quagmire of endless toil and almost ceaseless misery in which some of them are involved? On the other hand, can legislation help them? Your committee are of the opinion that unless Parliament steps in and gives them the protection and support which legislation alone can supply, the prospects of any real and substantial improvement in their position and condition being brought about are very small and remote. We are further of the opinion that carefully considered legislation would aid them materially; and, that being so, we cannot doubt that it is desirable that an attempt should be made, and an experiment be tried. (Page XIII.)

If a trade will not yield such an income to average industrious workers engaged in it, it is a parasite industry, and it is contrary to the general well-being that it should continue. Experience, however, teaches that the usual result of legislation of the nature referred to is not to kill the industry, but to reform it. (Page XIV.)

The Prevention of Destitution. Sidney *and* Beatrice Webb. *Longmans, Green & Co., London, 1911.*

The Poor Law relief of the destitution caused by sweating acted as a sort of "bounty" to those trades and those employers not paying full subsistence wages, and led to a constant extension of the system. What was happening was an ousting of the self-supporting by the parasitic industries. "Whole branches of manufacture," eloquently summed up the Poor Law Commissioners of 1834, "may thus follow the course, not of coal mines, or of streams, but of pauperism; may flourish like the fungi that spring from corruption, in consequence of the abuses which are ruining all the other interests of the places in which they are established, and cease to exist in the better administered districts, in consequence of that better administration." (Page 90, 22nd annual report of the Poor Law Board, 1869-70.)

"One of the most recognized principles in our Poor Law is, that relief should be given only to the actually destitute, and not in aid of wages. In the case of widows with families where it is often manifestly impossible that the earnings of the woman can support the family, the rule is frequently departed from, but, as a general principle, it lies at the root of the present system of relief. In innumerable cases its application appears to be harsh for the moment, and it might also be held to be an aggravation of an existing difficulty to insist that, so long as a person is in employment, and wages are earned, though such wages may be insufficient, the Poor Law authorities ought to hold aloof and refuse to supplement the receipts of the family, actually offering in preference to take upon themselves the entire cost of their maintenance. Still it is certain that no system could be more dangerous, both to the working classes and to the ratepayers, than to supplement insufficiency of wages by the expenditure of public money." (Page 262.)

National Conference on the Prevention of Destitution. London, 1912. Section, Unemployment and Industrial Regulation. Discussion.

Mr. Walter T. Layton:

In his experience as a guardian of the poor, he was constantly meeting with revelations of low wages paid to women—widows and deserted wives, who had to support families, and they had in many cases to subsidize these women. He remembered on one occasion at a relief committee meeting, a local Government Board inspector was present, and when they granted relief to a woman who earned about 10s a week and had several children to support the inspector told the committee that they were subsidizing low wages. (Page 39.)

Wages. A. J. Carlyle, *D. litt. A. R. Mowbray & Co., London, 1912.*

. . . Owing to the complexity of the economic situation, the employer may pay a wage which is inadequate

to the maintenance of the laborer, because the laborer is maintained from other sources. The evidence given to the select committee of the House of Commons on Home Work in 1908 made it clear that many women in the sweated trades were not living upon their earnings. We may ask, how can this be? In the first place, if we examine the industries of women we shall discover that in a great many places the women who are employed in these sweated trades are living with their families, so that the wages which they are getting are of the nature of a supplement to a family wage. But in many other cases the woman is dependent on her wages. What does actually then happen? Women in such cases are constantly receiving from the public at large, in one way or another, an immense amount of assistance of various kinds. In some cases the evidence given to the House of Commons Committee, to which we have already referred, showed that women of this kind were actually being partially maintained by the Poor Law. But no doubt the more normal result of sweated wages is this, that even if the worker does just manage to live at ordinary times on these wages, when anything happens, if the woman is ill, or work is slack, she is immediately thrown on the public, is dependent on the public, and is maintained by the public by means of the Poor Law or of charity.

Wages which are inadequate to the maintenance of the laborer are constantly supplemented in one way or another by the community. We can therefore see that the stupidity of the sweating employer does not actually represent the only reason why he pays these inadequate wages. The action of the employer arises also from this fact, that he is able to get wages paid by other people, that a considerable part of the maintenance of a sweated laborer comes out of the pockets of the community as a whole, either through the laborer's family, or from the public by way of Poor Law relief, or by way of charitable assistance. A considerable amount of the burden of maintaining the laborer can be, and actually is, without any deliberate intention on the employer's part, thrown on to the community. (Pages 87-88.)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

When an employer, without imparting any adequate instruction in a skilled craft, gets his work done by boys and girls who live with their parents and work practically for pocket money, he is clearly receiving a subsidy or bounty, which gives his process an economic advantage over those worked by fully paid labor. . . .

The employer of adult women is in the same case, where, as is usual, he pays them a wage insufficient to keep them in full efficiency, irrespective of what they receive from their parents, husbands, or lovers. In all these instances the efficiency of the services rendered by the young persons or women is being kept up out of the earnings of some other class. These trades are therefore as clearly receiving a subsidy as if the workers in them were being given a "rate in aid of wages". The employer of partially subsidized woman or child labor gains actually a double advantage over the self-supporting trades; he gets, without cost to himself, the extra energy due to the extra food for which his wages do not pay, and he abstracts—possibly from the workers at a rival process, or in a competing industry—some of the income which might have increased the energy put into the other trade. (Page 15.)

Hansard's Parliamentary Debates. Vol. 34. 1912.

Mr. J. R. Clynes, Member for Manchester:

The welfare of the people must be secured by process of government in establishing a just and adequate wage, seeing that this cannot be secured by private bargaining. (Pages 56-57.)

Poverty is the most costly thing that any community could permit. It does not pay a country to keep the people poor. Any general impoverishment of large masses of the people is bound to cause other forms of danger, and compels you to pay a much larger doctor's bill and police bill and asylum bill and workhouse bill than other-

wise would have to be paid. So that low wages are the first cause of slums. Give your workmen money wherewith to live in a better home, and they will naturally desire to have a better home. It is no answer to say that if workmen get more they will spend it upon vice, gambling, and drink, for the fact is that it is the better-paid classes of our population who spend least in this way, and most of those who reproach them have less cause to level the finger of scorn at them for any vices of that kind. (Pages 60-61.)

Hansard's Parliamentary Debates. Vol. 51. 1913.

Mr. Geo. N. Barnes, Member for Blackfriars, Glasgow:

I submit that low-priced labour benefits nobody. It is quite obvious it does not benefit the poor workman, whose life is a round of daily drudgery, unrelieved by recreation or holiday or food for the mind, and who very often cannot get enough food for the body. But it is clear, if one thinks of it, that low wages do not even benefit the employer. There is no stimulus to inventiveness under such circumstances. (Page 1923.)

If neither the employer nor the employed benefit from cheap labour the community benefits least of all. Poverty does not pay; it imposes a burden upon the community. Take the point of view of consumption. We are told that 70,000 people die every year from consumption, and the great bulk of them die between the ages of thirty-five and fifty, which ought to be the most productive period of their lives.

The Right Hon. Gentleman the President of the Local Government Board the other day stated that pauperism in this country was caused to the extent of 40 per cent. by widowhood and orphanhood. Consumption is a poverty disease, and consumption is largely responsible for this widowhood and orphanhood. But without going to the consumptives or the chronically diseased, let us take the average labourer. He has no margin for sickness; he gets sick a great deal more than the average man, and immediately that he gets sick he becomes a burden upon

somebody or other, it may be upon his family or his friends, but to the extent that he is a burden he is taking something from the community. When he gets out of work exactly the same thing takes place. Old age comes on, and with diminished strength and health undermined, the workhouse is his only refuge, and in all these phases of the underpaid workman's life the man or his family is a burden upon the community. (Page 1924.)

The Living Wage. PHILIP SNOWDEN, M. P. *Hodder & Stoughton, London, 1913.*

The expense of maintaining these people, and the loss of their usefulness and wealth-producing power can only be vaguely imagined, but it is many millions of the very many millions which low wages cost the community every year.

The fifteen millions a year which is spent upon the maintenance of paupers represents only a part of the sum which is drained for the support of the victims of low wages. The maintenance of hospitals and private charitable institutions for the relief of the poor is said to cost as much as the expenditure through the Poor Law. Private help is extensively and generously given to assist distress, and this is only a subsidy of low wages. (Pages 53-54.)

The community does not gain by keeping any section of its people on low wages. There is a social economy in good living conditions, as there is an industrial economy in good industrial conditions.

By good wages, and by an education which will teach people to spend their wages wisely and well, every problem which is troubling social reformers and the consciences of the sympathetic now, would be made far more easy of treatment. (Page 54.)

Sweated Labor and the Trade Boards Act. Catholic Studies in Social Reform—Manual II, Edited by the Rev. Thomas Wright. *P. S. King & Son, London, 1913.*

Thousands of families can and do subsist, in apparent comfort, on much less than the wage suggested above. They do, but at what ultimate cost to the nation in infant mortality, in impaired efficiency, in diminished power of resistance to disease, in desperate resort to bodily pleasures, in crime, and finally in pauperism, is but partly shown by the national expenditure on the Poor Law, the prisons, the reformatories, the hospitals and the asylums, and by the statistics of child mortality, of illegitimacy and of drunkenness. The payment of less than a living wage is, even from a merely commercial point of view, too costly in the long run to the nation that permits it. (Pages 39-40.)

Though the Trade Boards Act is a legislative experiment, it marks a noteworthy growth in our laws for the betterment of the conditions of labor. (Page 46.)

By securing a minimum wage, it aspires to raise from that moral degradation no less than to stay the physical deterioration into which many oppressed victims of our labor system have fallen, and thus it tends to remedy evils with which the Factory Acts have been unable to cope. (Page 46.)

The methods of subsidizing parasitic trades are two —the supplementing of the incomes of the workers from some source outside the trade in which they are employed, and the using up of the vital energy of the workers by forcing them to live and work upon a wage which is insufficient to afford them the means of living in normal health. Of these two the latter is by far the more injurious, whether viewed from the physical or the moral standpoint. (Page 52.)

The second form of parasitism is by far the more noxious. It is the case of trades in which workers do not draw any portion of their incomes from outside sources, but continue in a state of abject poverty and misery as long as their energy and stamina last and then

sink beneath the burden for their places to be taken by others. This is nothing less than subsidizing the trade at the expense of the health and lives of the workers. Under this system the health, physique, intelligence and moral character of the workers deteriorate. The vital energy of the whole community is being slowly but surely drained away. (Page 53.)

Der Mindestlohn. (*The Minimum Wage.*) D. Pesl, *Member of the Bar of the Supreme Court. Duncker & Humblot, Munich, 1914.*

It is necessary that the worker's standard of living should never be lowered beyond a certain point, and this can only be accomplished by establishing a legal minimum wage. . . .

Here I have but to remark that it is without doubt more advantageous to the State to have a sufficiently nourished working population, which, even in times of depression, does not fall a victim to hunger; for those who can find no work must be cared for in other ways, that is, by unemployment insurance. The damage which the country and public economy suffer through insane asylums, homes for cripples, prostitution, etc., is greater than the amount which the State or the employers have to pay for the unemployed. Hunger, misery, bad education and many other conditions arising from poverty cost the State yearly millions of marks. A better standard of living can lift to a higher moral plane those workers who, frequently from misery, ignorance, etc., populate the penitentiaries and insane asylums. A higher standard of living is only made possible through higher wages and especially the minimum wage. (Page 276.)

(b) THE TAX UPON THE WORKERS OR THEIR FAMILIES.

Workers who are paid less than living wages and who are not directly aided by the State, are supported partly by the earnings of others. The underpaying industries are thus parasitic or dependent upon a subsidy. This is paid either by the workers themselves in impaired health and working capacity, or it is paid by their families, and so, indirectly, by the better paying industries which employ them.

Principles of Labor Legislation. JOHN R. COMMONS *and* JOHN B. ANDREWS. *Harpers, New York, 1916.*

An important question likely to arise when wage standards are fixed is whether or not the financial condition of the industry should be taken into account. Most often the problem comes up in connection with the struggling business which claims it cannot survive if its workers are paid a living wage. The issue here is the lowering of the standard of wages in order to secure the continued existence of such an industry. But such a concession enables an industry to flourish without paying the whole cost of maintenance of those whose time and services it uses. Its workers must be partly supported by the earnings of others, who are thus practically subsidizing the underpaying industry. Such a trade has well been called "parasitic," since its existence depends on the bounty of others. It may be that other members of the woman's family (and the better-paying occupations in which they are employed) make up the deficit in her income; it may be that society as a whole pays the bill for the physical and moral deterioration of the workers by its expenditures for hospitals, charities, and reformatories. (Pages 182-183.)

Wage Legislation for Women. Rev. Edwin V. O'Hara, *Chairman Oregon Industrial Welfare Commission. The Catholic World, January, 1915.*

Just as the whole body of workers must be supported by the entire body of industries, so it is right that in each industry the wages be sufficient to maintain the workers in health and frugal comfort. An industry which does not pay its employees enough to purchase the necessities of life is a parasite. It makes its profit not from legitimate commercial enterprise, but is subsidized by the workers. If any business is so necessary to the community that it must be maintained by a subsidy, then in the name of decency and humanity let the subsidy come from the public treasury, and not from the earnings of working women and the homes of the poor. . . .

The right to a living wage vindicated by this judicial decision* is the right of a human being to develop his personality, to work out his spiritual destiny, to be what the word human implies. If a business cannot pay its rent and interest on borrowed capital, the burden is passed on to those who can. No sympathy is extended to a firm which fails because it could not meet the demands of the landowner and the money loaner; but because it is proposed to make a living wage a first cost on industry, great consternation is expressed for the business failures which are threatened as the result. It may reasonably be suggested that such a calamity may be averted by lowering the rent. For it is not written in the decrees of Eternal Justice, nor can it be successfully maintained in human laws, that the owner of land or other capital is to be recompensed while the laborer, by whose efforts both the one and the other have been rendered fruitful, shall be denied food and clothing for his body and a roof-tree to shelter his domestic hearth. (Page 450.)

* Stettler *v.* O'Hara et al.

Industrial Commission of Ohio. Department of Investigation and Statistics, Report No. 14. 1915. Cost of Living of Working Women in Ohio.

This study, as already explained, was restricted as far as it was proved practicable to women and girls who were dependent on their own exertions for a livelihood. Women and girls living at home, and those living in subsidized homes, were excluded. However, in the lower income groups, that is, those earning less than $8 per week, it was found extremely difficult to find women and girls who were absolutely self-dependent, because of the difficulty of existence on low wages. Thus, a young woman might be interviewed who boarded with strangers, and asserted that she was dependent on her own resources. Careful questioning, however, not infrequently might develop the fact that her parents living in some nearby town were assisting her by considerable gifts in clothing or money. (Pages 32-33.)

Industrial Commission of Wisconsin. May 1, 1916. Cost of Living of Wage-Earning Women in Wisconsin. Investigation of 1913-1914.

While it is impossible to generalize as to the part played by the wage-earning woman in the family economy, it is possible, given the composition and circumstances of an individual family, to determine the proportionate cost of maintenance of each wage-earner. Detailed information was secured from 100 families, selected at random in various cities of the state, concerning the composition of the family, the mode and standard of living, the sources and amount of income. . . . It is interesting to note the number of instances in which the earnings of the woman wage-earner barely cover the cost of the "raw material" of food and lodging, and the extent to which either the other wage-earners of the family, or public or private philanthropy must subsidize the industry employing these women at less than a living wage. (Page 15.)

1.—The percentage of wage-earning women living away from home (18 per cent.) exceeds previous esti-

mates. In the case of the girl living at home, her contribution is often a main factor in the support of the family instead of a minor item, while the actual cost of maintenance of the wage-earning woman is much the same whether she lives at home or away from home.

2.—Where the girl's wages do not cover the actual cost of her maintenance, her family or others furnishing room and board are in effect subsidizing the industry in which she is employed. (Page 19.)

Women and the Trades. Elizabeth Beardsley Butler. *The Pittsburgh Survey. Russell Sage Foundation Publication, New York, 1909.*

Although the lower wages of women may represent a lower standard of responsibilities to be met by earnings, $3 or $4 a week does not cover the individual cost of living, however extreme the degree of restraint and limitation. The difference between her wage and the cost of living, however met, represents the extent to which she is subsidized from some quarter.

That women workers are thus usually subsidized tends to keep their wages low, not only in Pittsburgh, but wherever they enter the industrial field. Only here and there a powerful women's union, or the personality of an exceptional woman, has counteracted this tendency. Being in fact a recognition that wages must approximate cost of living, it affects the determination of rates paid by nearly every firm employing women. If the cost of living is met in part by the woman's father or husband, or if she takes the way that is always open to her for self-support, her employer needs to pay only a supplementary wage fixed in part by custom, and in part by the purchasing power in the district of the wages paid to men. "We try to employ girls who are members of families," a box manufacturer said to me, "for we don't pay the girls a living wage in this trade." The social fact of woman's customary position in the household, the position of a dependent who receives no wages for her work, thus lies behind the economic fact of her insufficient wage in the industrial field. It is expected that she has men to support her. (Pages 345-6.)

Report of the Social Survey Committee of the Consumers' League of Oregon on the Wages, Hours and Conditions of Work and Cost and Standard of Living of Women Wage Earners in Oregon with Special Reference to Portland. CAROLINE J. GLEASON, *Portland, Oregon, 1913.*

Each industry should provide for the livelihood of the workers employed in it. An industry which does not do so is parasitic. The well-being of society demands that wage-earning women shall not be required to subsidize from their earnings the industry in which they are employed. (Page 6.)

Table 2 below gives the average annual wage and expense of the 509 women interviewed in Portland, classified according to industry and whether they were living at home or adrift. The saving or deficit is also indicated, showing the amount of outside help required for the girl's support.

It will be observed that the average girl in every occupation, except office work, receives wages which are inadequate for her support, and consequently would face the end of the year in debt if she does not receive assistance from her family or some outside source. This shows the extent to which industries employing women are parasitic in character.

Out of 127 persons who offered information, other than the schedules called for, 70 stated that they could not live on their salaries if they did not receive outside help; 22 had to help support families that ranged from four to nine persons; 15 others said they had children to support; 62 claimed to receive assistance from home. The wage ranged from $2.50 to $12 per week. (Pages 21-22.)

Report of the Industrial Welfare Commission of the State of Washington on the Wages, Conditions of Work and Cost and Standards of Living of Women Wage-Earners in Washington. CAROLINE J. GLEASON. *Olympia, Washington, 1914.*

It is an undisputed fact that most employers openly prefer the girl who is living at home. Their theory is

that they are not required to pay a girl with a home as large a wage as they might feel obliged to give a self-supporting girl. "Parasitic industries," the description that has been applied to them before, is the one still most applicable. The belief that a woman who is giving her entire time, energy and experience to upbuilding the success of an establishment, may be reimbursed with merely enough to pay for her clothes and carfare and then fall back upon her male relatives for cost of room and board is illogical and unjust. But the expectation of the firm to profit by this arrangement often forces on the girl adrift the same wage which the girl at home accepts. (Page 87.)

Massachusetts Minimum Wage Commission. Bulletin No. 3. August, 1914. Statement and Decree Concerning the Wages of Women in the Brush Industry in Massachusetts. Appendix I. Extracts from the Report of the Brush Makers' Wage Board to the Minimum Wage Commission, March 17, 1914.

SECTION III.—Subsidies to Industry.

If an industry can not pay for the human endeavor it uses, it is time to ask the effect of such an industry upon public welfare. Who, if anybody, is paying the sum it does not pay toward making up the amount needed to prevent bodily and mental deterioration? The difference between what is necessary and what the industry pays can come only from one of four sources.* . . .

(*c*) An indirect subsidy from industries which do pay living wages.

This is the situation where a worker who receives less than her subsistence costs is partly supported by other workers in the family. The employer of such partially subsidized women and children gets a double advantage over a self-supporting trade. He gets energy derived from food for which his wages do not pay, and he subtracts from the workers of the self-supporting trade energy for which the income derived from them

* See also page 402.

properly should pay. Such an industry is parasitic in its relations to the self-supporting trades about it.

(*d*) An indirect subsidy taken from the physical and mental capacity of the worker herself.

Where the difference is not made up in money in some one of the ways mentioned, it can only be taken from the health or strength of the worker. Such a process drains the vital strength of the nation, and as a matter of self protection as well as of humanity cannot be permitted by society. (Page 21.)

Women's Work and Wages. A Phase of Life in an Industrial City. Edward Cadbury, M. Cecile Matheson *and* George Shann. *T. Fisher Unwin, London, 1906.*

It is said that girls live at home, that they spend their holidays with their friends, that they go home when they are ill, etc. This is all true in the majority of cases, but we are not therefore justified in taking women's lives and getting our work done partly at the expense of their relations because we pay them less than enough to live in accord with the standard to which they have been brought up. Few men would like to think that they were educating their daughters at the expense, rather on the charity, of other men; that their office expenses were kept down by the kindness of men whom they would hardly know in society; and yet this is only too often the case. (Page 188.)

The Practical Case for a Legal Minimum Wage. R. C. K. Ensor. *Nineteenth Century, August, 1912.*

What happens when wages are paid too low to sustain physical efficiency, at least after the minimum demands of civilized custom have been satisfied? One of two things happens: either physical efficiency is not sustained and the under-paying industry is actually eating into the capital value of the worker; or else it is sustained, but only because to make up the deficiency in the wages of the underpaid worker part of the wages paid by some other industry is brought in (as when an

underpaid tailoress is housed for nothing by her parents, or an underpaid carman relies upon the earnings of his daughters in a cotton-mill), or relatives are diverted from non-industrial duties to wage-earning (as when the underpaid carman's wife neglects her children to go out laundering, or his children of school age sell newspapers in the streets). In either case the underpaying industry is in the strict economic sense parasitic. In the first and last cases it levies a tax on the community at large; in the second case it levies one on some special industry or industries. Neither way is it any less a bounty-fed, unfairly advantaged industry than one to which State bounties are paid over in hard cash, as to the beet sugar industry of the Continent. Indeed, a system of State bounties is far less objectionable; for the amount of the bounty is definite and visible, and it comes from a general taxation, whose burdens may be distributed as equitably as the nation chooses; whereas the bounty received by an industry which pays less than subsistence wages is indefinite and elusive, its burdens are laid at random, largely on the weakest shoulders, and the nation foots the bill, not in money only, but in physical deterioration, moral degradation and social catastrophe. (Page 265.)

Women's Wages. Mrs. F. W. Hubback. *The New Statesman. Special Supplement on Women in Industry. February 21st, 1914.*

In cases, therefore, where a woman living alone is earning less than 12s., and is dependent on her earnings, she cannot maintain her efficiency and is lessening her power to bear healthy children for the nation. Any industry which uses up the human capital without replacing it is not self-supporting and does positive harm to the community. When, therefore, a woman is partially maintained by some other source, such as by a father, a husband, etc., the industry which employs her is being subsidized from these other sources to the extent by which her wages fall short of proper maintenance. (Page 4.)

II.—BENEFIT OF INCREASED WAGES.

(1) Relation to Cost of Production.

Experience has proved the fallacy of the ordinary assumption that high wages necessarily mean high cost of production. In many instances it has been proved that high wages have led not to an increase but even to a decrease in the cost of production.

This is due to two causes: first, because the labor cost is only one item, and often a small item, in the total cost of manufacture; second, because with higher wages the heightened efficiency of both employers and workers tends to stimulate output and thus to equalize or even decrease the total costs.

According to the investigations of the Federal Government the labor cost does not usually exceed and often falls below 20 to 25 per cent. of the total cost of production, in some industries dropping as low as 4 per cent. of the total cost. In many instances establishments having a higher proportion of expenditure for labor, are shown to have higher profits than establishments with lower labor costs. In Oregon a federal investigation into the effects of the minimum wage determinations showed that during the first 5 months of adjustment to these rulings for retail stores, a marked increase in wages resulted in a rise in cost of only 3 mills to the dollar.

United States Bureau of Foreign and Domestic Commerce. Miscellaneous Series. No. 34. 1916. Report on the Cost of Production of Men's Factory-Made Clothing in the United States.

The (following) table is presented to compare individual establishments in regard to items of expense and

to show their relative efficiency as measured by their percentages of manufacturing profit.

Profit Not Dependent on Labor Cost.

It does not follow that because one establishment had a higher proportion of expenditure for labor than other establishments of the same kind it had less profits. The fact that high profits are not dependent on low labor cost is strikingly illustrated by establishments Nos. 62 and 44, the former having a manufacturing profit of 9.57 per cent. and the latter a manufacturing loss of 1.72 per cent., although the direct labor costs—29.24 per cent. for establishment No. 62 and 29.32 per cent. for establishment No. 44—may be said to be same; or by establishments Nos. 42 and 3, the former showing a manufacturing profit of 10.57 per cent., and the latter 6.79 per cent. although the former shows a direct labor cost of 25.11 per cent. and the latter only 18.54 per cent., which is next to the lowest labor cost. (Page 64.)

TABLE 18. (Condensed).

Percentages of Cost and Profit by Establishments.

Items	No. 42	No. 62	No. 3	No. 44
	Per ct.	Per ct.	Per ct.	Per ct.
Net sales	100.00	100.00	100.00	100.00
Raw materials	42.67	54.46	56.59	54.64
Direct labor	25.11	29.24	18.54	29.32
Indirect labor	6.44	1.17	2.97	3.11
Factory expense	3.16	.81	2.01	2.52
Administrative expense	2.87	1.37	6.55	4.29
Selling expense	9.59	4.43	8.41	9.23
Total manufacturing and selling	89.84	91.48	95.07	103.11
Cost of goods purchased	.....	.....	.....	.....
Deduct increase in stock of goods	.41	1.05	1.86	1.39
Add decrease in stock of goods	.....	.....	.....	.....
Cost of goods sold	89.43	90.43	93.21	101.72
Manufacturing profit	10.57	9.57	6.79	.....
Manufacturing loss	.....	.....	.....	1.72
Interest received	.03	.....	.10	.....
Rent equivalent	.....	.....	.26	.....
Miscellaneous income	.....	.....	.....	.....
Total additions to manufacturing profit	.03	.....	.36	.....
Total deductions from manufacturing loss	.....	.....	.....	.....
Interest paid on current loans	.25	.98	.06	.99
Depreciation on equipment	.06	.13	.29	.08
Miscellaneous expense	.....	.....	.15	.....
Total deductions from manufacturing profit	.31	1.11	.50	.....
Total additions to manufacturing loss	.....	.....	.....	1.07
Final profit	10.29	8.46	6.65	.....
Final loss	.....	.....	.....	2.79

(Pages 59-63.)

United States Bureau of Foreign and Domestic Commerce. Miscellaneous Series, No. 36. 1916. Report on the Cost of Production of Men's Shirts and Collars in the United States.

It will be observed that the cost of raw materials was the greatest item of expense. In establishment No. 38, the cost of raw materials was 70.71 per cent., while in

establishment No. 8 it was 45.35 per cent. of the total cost. This variation may be due to several causes. . .

Direct labor showed the next largest percentage of the total cost, for which 34 establishments showed a cost ranging between 20 and 30 per cent.; 3, between 30 and 40 per cent.; 1 establishment, No. 6, with 16.28 per cent., showed a very low cost when compared with other establishments. It does not follow that, because one establishment had a higher proportion of expenditure for labor than other establishments, it had less profits. This is strikingly illustrated by the manufacturing profits earned by establishments Nos. 22 and 6. The former had a direct labor cost of 30.04 per cent. and the latter 16.28 per cent., yet the manufacturing profit for the former was 6.68 per cent. and for the latter 3.47 per cent. (Pages 44-46.)

TABLE 21.—(Condensed).

Cost of Manufacturing and Selling: by Establishments.

Items	Establishment No. 22	Establishment No. 6	Establishment No. 8	Establishment No. 38
Total manufacturing and selling	100.00	100.00	100.00	100.00
Raw materials	56.46	61.97	45.35	70.71
Direct Labor:				
Wages	2.62	16.07	19.46	9.56
Paid to contractors	27.42	.21	13.41	13.40
Total direct labor	30.04	16.28	32.87	22.96
Indirect Labor:				
Salaries of officials	1.14	1.17	1.33	.24
Wages	.42	3.72	—	1.16
Total indirect labor	1.56	4.89	1.33	1.40
Total factory expense	1.82	3.67	1.60	1.95
Total administrative expense	3.79	4.47	4.12	1.15
Total selling expense	6.33	8.72	14.73	1.83
Manufacturing profits	6.68	3.47	3.35	.61

[Last line from Table 18, pages 44, 46, 47.]

It should not be assumed that an establishment whose proportions of expenditure for labor was lower than that of other establishments paid less to its employees than did the others. On the contrary, the earnings of individual employees might even be greater in the establishment with a low percentage of labor cost, for several reasons: (*a*) The fact that the employees were more skilled than ordinary employees; (*b*) better superintendence or superior shop arrangements enabled them to turn out a larger product per worker than could be done by workers in factories less efficiently managed; (*c*) More expensive materials were used in the goods manufactured; (*d*) overhead expenses were relatively high. (Pages 55-56.)

United States Bureau of Foreign and Domestic Commerce. Miscellaneous Series. No. 37. 1916. Report on the Cost of Production of Cotton-Spinning Machinery in the United States.

Though the wage rates in this industry (cotton-spinning machinery) have increased, it is doubtful whether the unit cost of labor has increased. More efficient manufacturing methods, the use of automatic machines, etc., have probably more than offset any increase in wages.

A good example of this is the cost of labor for each of two standard units of production, as ascertained from the books of one plant, as follows:

TABLE 19.

Labor Cost at One Plant of Each of Two Standard Units, and Number Produced.

Years	First standard unit		Second standard unit	
	Labor cost per unit	Units manufactured	Labor cost per unit	Units manufactured
1905	$10.83	1,814	$84.50	1,586
1906	8.87	2,148	83.68	1,602
1908	11.35	1,431	100.11	1,200
1910	7.90	4,245	85.23	2,463
1913	9.98	2,024	97.65	1,170
1914	9.96	1,751	90.88	1,105

As these figures for labor cost are obtained by dividing the total labor cost of each department by the number of units produced they are materially affected by the fluctuation in production. The table shows that the labor cost for the first unit is less for the year 1914 than for 1905, though the production during 1914 was slightly less than during 1905. This would indicate that the advance in wage rates has not increased the actual labor cost on this unit. Comparing the labor cost of the second unit for the same years we find that it is higher for 1914 than for 1905, but that for 1914 the production was materially less than for 1905 which would materially increase the labor cost per unit as shown in the table. If, however, 1914, is compared with 1908, two years when the volume of production was more nearly equal, we find that the labor cost per unit for 1914 was decidedly less than for 1908. (Page 31.)

Bulletin of the United States Bureau of Labor Statistics, No. 176. Women in Industry Series, No. 6. July, 1915. Effect of Minimum Wage Determinations in Oregon.

It is important to guard against confusing the effects of depressed business with the effects of minimum wage determinations. The problem in Oregon was further complicated because a reduction of legal working hours and a 6 P. M. closing regulation took effect at the same time as the wage orders . . . The effect of the country-wide depression manifested itself in a marked reduction in sales in many stores. (Pages 7-8.)

All the changes arising from decreased business, reorganization of departments, and increased rates of pay resulted in an increase in the female labor cost and also in the total labor cost of 3 mills per dollar of sales. This increased cost was not distributed equally among stores or among departments in the same store. The changes in female-labor cost varied from an 8-mill increase per dollar of sales in Portland neighborhood stores to a 1.2-cent decrease in Salem stores. (Page 10.)

Labor Cost Before and After Minimum-Wage Determinations.

When business is prospering wage increases are a matter for consideration; in a period of depression they are granted only after careful deliberation. The year 1914, the first year in which the minimum-wage determinations were in operation in Oregon, was considered a poor year in the mercantile business. To show how changes in weekly wage payments, after the minimum-wage determinations, compared with changes in the weekly sales, is the purpose of Table 12.

TABLE 12.

Per Cent. Which Average Weekly Wage Payments to Selling and to Nonselling Forces Combined Were of Average Weekly Sales Before and After Minimum-Wage Determinations in 24 Portland and 7 Salem Retail Stores.

[In each case the sales and wage payments are shown to the nearest dollar, and for this reason the totals are not always exactly equal to the sum of the items. The percentages are based on the exact amounts, including cents.]

Type of store.	Females.			Males.			Total.		
	Average weekly wage payments.	Average weekly sales.	Per cent wage payments are of sales.	Average weekly wage payments.	Average weekly sales.	Per cent wage payments are of sales.	Average weekly wage payments.	Average weekly sales.	Per cent wage payments are of sales.
PORTLAND.									
Department, dry-goods, and 5 and 10 cent stores:									
Before determinations	[1] $12,878	[1] $107,251	12.0	[1] $14,288	$68,088	21.0	[1] $27,166	[1] $175,339	15.5
After determinations	[1] $11,698	[1] $93,077	12.6	[1] $13,524	$65,279	20.7	[1] $25,221	[1] $158,356	15.9
Per cent increase (+) or decrease (−)	−9.2	−13.2	.....	−5.3	−4.1	.....	−7.2	−9.7	.....
Specialty stores:									
Before determinations	$1,704	$14,340	11.9	$714	$4,962	14.4	$2,417	$19,303	12.5
After determinations	$1,803	$16,505	10.9	$708	$4,153	17.0	$2,511	$20,658	12.2
Per cent increase (+) or decrease (−)	+5.8	+15.1	.....	−0.9	−16.3	.....	+3.9	+7.0	.....
Neighborhood stores: [2]									
Before determinations	$232	$2,446	9.5	$210	$2,376	8.8	$442	$4,821	9.2
After determinations	$132	$1,279	10.3	$191	$1,949	9.8	$324	$3,228	10.0
Per cent increase (+) or decrease (−)	−43.0	−47.7	.....	−8.8	−18.0	.....	−26.7	−33.1	.....
Total:									
Before determinations	$14,813	$124,037	11.9	$15,211	$75,426	20.2	$30,025	$199,463	15.1
After determinations	$13,633	$110,862	12.3	$14,423	$71,381	20.2	$28,056	$182,242	15.4
Per cent increase (+) or decrease (−)	−8.0	−10.6	.....	−5.2	−5.4	.....	−6.6	−8.6	.....
SALEM.									
Dry-goods, specialty, and 5 and 10 cent stores:									
Before determinations	$743	$5,439	13.7	$495	$1,978	25.0	$1,238	$7,417	16.7
After determinations	$785	$6,258	12.5	$495	$1,822	27.1	$1,280	$8,080	15.8
Per cent increase (+) or decrease (−)	+5.6	+15.1	.....	−0.1	−7.9	.....	+3.3	+8.9	.....
Total:									
Before determinations	[1] $15,557	[1] $129,476	12.0	$15,706	$77,404	20.3	$31,263	$206,880	15.1
After determinations	[1] $14,418	[1] $117,119	12.3	[1] $14,917	$73,203	20.4	$29,335	$190,322	15.4
Per cent increase (+) or decrease (−)	−7.3	−9.5	.....	−5.0	−5.4	.....	−6.2	−8.0	.....

[1] Includes wage payments for extra help and sales made by such help.
[2] 9 neighborhood stores did not report sales, and have therefore not been included in this table.

Sales made in March and April, 1914,* were, according to the above table, 8 per cent. less than sales made in the same stores in these months in 1913. Yet the rates of pay of a large number of women employees had been raised to meet the conditions imposed by the determinations of the Oregon Industrial Welfare Commission. In spite of the increase of 4 per cent. in the average rates of pay for women and of 8.6 per cent. in their average earnings, the total weekly wage payments decreased 7.3 per cent. in the period covered in 1914, a decrease made possible by the reduction in the number of women employed. On the other hand, the sales made by women decreased 9.5 per cent. By reference to Table 12 it is seen that before the determinations the average weekly wage payments to women were 12 per cent. and after the determinations 12.3 per cent. of the average weekly sales, or 12 and 12.3 cents, respectively, out of every dollar of sales. The net female-labor cost, therefore, increased 3 mills on every dollar of sales.

The male-labor cost increased only 1 mill on every dollar of sales, but the number of men and the amount of money involved were not sufficient to change the total labor cost as much as a half mill. Consequently the net increase in the cost of labor, male and female, was 3 mills and a negligible fraction on a dollar of sales. (Pages 32-33.)

Massachusetts Minimum Wage Commission. Bulletin No. 6. Wages of Women in Retail Stores in Massachusetts. Boston, 1915.

In connection with the study of the wage situation in retail stores, a circular letter was sent to a number of representative firms throughout the State asking for information on the following points:—

1. Average selling cost by departments for a period of one year. By this is meant a pay-roll ratio, the total wages of the selling force (not including buyers) being

* Conditions peculiar to one firm's business rendered these months not comparable in the two years; the records for September in 1913 and 1914 were therefore substituted.

expressed as a percentage on the total sales of each department.

2. Average total operating expense for one year, expressed as a percentage of the total sales for that period and apportioned to the various items of cost, as wages of sales force, buyers' salaries, general wage, rent, advertising, etc.

Replies were received from 11 establishments, comprising 8 department stores, 2 specialty shops, and 1 five-and-ten cent company. (Page 13.)

According to the figures received, the total operating expense for the 10 stores ranged from 28.5 to 18.0 per cent., with an average of 25.4 per cent. The selling cost (based on salaries of salespersons only) averaged 6.9 per cent., the highest figure recorded being 12.3 per cent., the lowest 4.0 per cent. The item of rent (including interest, taxes, insurance, light and heat) ranged from 3.0 to 7.1 per cent., with an average of 4.8 per cent., while advertising and display ranged from 2.2 to 5.5 per cent. and averaged 3.3 per cent. The figures furnished by the several firms were based on such varied systems of expense distribution that it was not possible, from the limited number of answers received, to find a sufficiently representative average for any of the other items of expense.

Owing to the fact that there is lack of uniformity in the classification and grouping of departments in the different establishments, comparative figures are given only for the following departments:—

Name of Department	Selling Cost		
	Lowest Percentage	Highest Percentage	Percentage about which there is a concentration
1. Cloaks, suits and dresses	3.2	7.1	6.0
2. Millinery	5.8	15.0	8.7
3. Waists	3.9	9.3	6.0
4. Notions	8.2	10.2	9.2
5. Laces	5.3	9.8	---
6. Ribbons	3.8	10.5	7.0

It will be seen from the last column of the above table that the selling cost is highest in the notion and lowest in the cloak, suit and dress departments. These figures are of special interest when compared with the table on page 15, showing earnings paid in the same departments in eighteen of the establishments where the wage records were taken by the commission.* Here earnings are shown to be highest in the cloak and suit and lowest in the notion department. (Pages 13-14.)

It clearly appears that high wages do not necessarily mean for a given establishment a high selling cost. On the contrary, establishments paying high wages are among those with the lowest selling cost, as shown by the accompanying figures, taken from four stores of sufficient similarity for comparison. It is not possible to estimate the extent to which this fact is due to the character of the goods sold, or to what extent to the efficiency of management. In general, the department stores and shops selling high-priced goods are those in which the high wages are found.

	Per cent. of all saleswomen receiving $10 and over	Per cent. of selling cost
Establishment A	6.9	12.3
Establishment B	13.7	9.9
Establishment C	53.1	7.1
Establishment D	74.6	4.2

Here it is shown that for a given number of establishments wages and selling cost vary inversely, and the establishment with the lowest selling cost has quite as markedly the largest number of high-paid employees.

Consequently, the conclusion seems justifiable that if the adjustment is carefully made higher wages would not increase the selling cost for the establishments for which it is already high, but would probably diminish it. (Page 16.)

* In only eighteen of the establishments studied was the departmental classification of such similarity as to permit the grouping.

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Report of Commission.

The arguments in support of wage legislation may be summarized as follows:

At the hearings before the Commission it was stated that after the initial period of introduction the cost of production would be reduced rather than increased because the worker will be more competent, being in better physical condition as the normal result of better food. A striking instance of increased efficiency was given by Mr. N. I. Stone from the investigation of the tariff board. As a result of an eight months' strike in the largest paper mills in the country, an eight hour shift was established in place of a twelve hour shift, resulting in a practical increase in wages of thirty-three and one-third per cent. Within the year it was found that the cost of production had decreased ten per cent. with no other changes except the change from twelve to eight hours. The cheap worker is disregarded, the wage paid him is so little he is not worth considering. Our investigations show that it is the cheap worker who is first dismissed. It was difficult to obtain information regarding the cost of production, but in the making of men's work shirts, which retail at fifty cents, it was found that it cost the manufacturers $2.35 per dozen; he sells them to the jobber at $3.00 or $3.50 a dozen. The material in the shirt costs a little less than five cents. That is, the labor cost is only 20 per cent. of all expenses. Therefore an increase of 10 per cent. in the pay roll would amount to only 2 per cent. in the cost. This will indicate that an increase in the labor cost, if it did affect production, still would not necessarily compare to any increase in the price to the consumer. (Pages 44-45.)

Ibid. Vol. II. Appendix IV. Mercantile Establishments.

Wages and Sales.

In order to find what the relative efficiency of salespeople is, we inquired from individuals concerning their

ordinary daily and weekly sales. The returns, of course, varied according to seasons and line of goods. . . .

The returns from 127 women in New York City stores vary from $40 to $800 a week; but over half of them center between $50 and $200. The records for 102 saleswomen in cities in the western part of the state are given in terms of daily transactions, and vary from less than $5 to $100, *i. e.*, $30 to $600 sales a week. But again the great majority range between $5 and $30 a day, or $30 to $180 a week. Accordingly, we may say that the transfer of $30 to $200 worth of goods a week represents the ordinary transactions of a representative saleswoman. The returns for salesmen range higher, centering between $10 and $60 a day or $50 to $350 a week.

We did not correlate these returns with wages, because both items could not be checked up from the books of the firms. We have learned from the statements of superintendents and accountants, however, that the wages of salespeople will ordinarily run from 4 per cent. to 6 per cent. of the price of goods sold. This percentage, of course, varies widely from season to season and from department to department. From 2 per cent. to 10 per cent. may indicate rough limits. But in general, salespeople have to dispose of about $20 worth of goods to earn a dollar, and must ordinarily surpass this amount to make extra pay. (Pages 116-117.)

Status of the Business.

The expansion of large retail stores within recent years has been remarkable. Elaborate and costly structures housing the products of every country have risen in our cities. For beauty and convenience these stores are among the foremost in the world.

Obviously money is necessary to equip and run these colossal establishments. Recent failures have revealed to the public the huge financial operations involved. Not only have individual firms incorporated as stock companies, but certain groups of merchants have managed chains of stores and held stock in affiliated concerns. The capital stock of one corporation was recently quoted at $26,500,000, and paid over $2,000,000 in net dividends.

Another concern was capitalized for over $97,000,000 and paid a dividend of 6 per cent. on $50,000,000 of common stock, which represents "good will".

The revenue and expense items of stores vary widely from place to place and according to the character of goods handled. Local merchants were unwilling to show financial statements, but through the kindness of certain gentlemen, we were enabled to examine the proportion of expenses credited to certain items in representative stores. These can best be summarized by a typical statement such as that which follows:

Prime cost of merchandise	70
Less discount at 5%	3½
Net cost	66½
Marked up to sell at	100
Gross profit	33½
Selling expense	28
Net earnings on sales	5½

Discounts vary greatly from nothing at all to 10 per cent. or over; 4 to 6 per cent. is an ordinary range. The term of discount also varies in extent. It may be long enough in the case of rapid-selling goods to allow disposal of most of the stock before payment of the same is necessary. It is a common practice also among large buyers to claim discounts even after the expiration of the time allowed. We are told upon good authority that the saving from this source is sufficient to finance the office force of a large concern.

The percentage of mark-up also varies with the character of the goods and the class of patronage. Where selling expenses are high, as in the fashionable New York City stores, this will exceed the figure given above. The range of gross profits also varies considerably. The figure given above is fairly high. It may fall to 27 per cent. or 28 per cent. and mount to 35 per cent. Selling expenses also vary widely, say from 20 per cent. to the

figure given above. Of course, net profit depends upon the difference of these two, and will ordinarily range from 3 per cent. to 10 per cent., with an average of 5 per cent. to 6 per cent.

We shall not here attempt to give a detailed analysis of all the items of expenses, save to say that the sales, overhead, office, and delivery, appear to be the largest items, with advertising and rent bulking very large in the accounts of the great city stores.

One feature must be remarked before we can understand the finances of a mercantile establishment, and that is the rapidity with which this stock is turned over. The liquidation depends upon the character of the goods and varies widely, from women's wear, which is sold out and replenished two or three times each season, to books and housefurnishings, which may be replaced only once or twice a year. On the whole a live firm expects to turn its stock five or six times annually. A very well managed concern may effect a turnover of the value of all the merchandise eight or ten times during a space of twelve months. Here, of course, is where the profits in the business lie, for although a 5 per cent. or 6 per cent. profit on the annual business seems comparatively small, when we realize that this amounts to 25 or 30 per cent. income on the capital actually invested, we begin to see the source of revenue. (Pages 118-119.)

Fourth Report of New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Shirt Industry.

Labor Cost.

The foregoing data regarding wages lead us finally to consider the proportion that labor cost bears to other items of expense in the shirt trade. For this purpose we may here present statements from representative manufacturers regarding typical garments made in their establishments. We have few complete financial accounts so as to be sure of the element of profit. The following examples may, however, serve to indicate the basis upon which certain firms do business.

Let us take as our first instance a blue chambray work shirt, double-stitched, with a soft collar and cuffs attached, one pocket, sleeve facings and seven pearl buttons. The following analysis shows the principal items of expense for making a dozen garments. It does not show the cost of trimmings.

34 yards "Defiance" 3.8 twenty-eight-inch cloth, at 6½c.	$2.21
Cutting	.08½
To contractor for sewing	.84
Pressing	.04
Packing and shipping	.07½
Factory overhead charges	.02½
Cost to manufacturer	$3.27½

These shirts are sold to jobbers at $3.50 a dozen, leaving the manufacturer about 20 cents above the expenses noted. They retail at 50 cents apiece.

For work shirts such as we have just described and similar garments of somewhat inferior grade, which sell to the trade for $3 per dozen, the cost of sewing and finishing varies from 65 cents to 85 cents a dozen, according to the style and quality of workmanship. From 70 cents to 75 cents a dozen was the usual price for a $3 grade in the shops last winter. The material used was worth less than that specified above, so that the manufacturer's cost was about $2.85 a dozen garments. (Pages 226-227.)

To sum up this analysis of costs for low grade shirts in New York City, it appears that the materials in a 50-cent work shirt cost less than 20 cents and the labor of making it about 5 cents. The contractor and manufacturer each make about 5 per cent. profit, and the rest is absorbed by jobbers and retailers. The cost of materials and labor is somewhat higher for the better grades of work shirts, but the total cost in relation to the selling price is proportionately less, leaving a larger margin of profit to makers and dealers. What per cent. the makers earn upon their investment we do not now know,

because capital accounts and inventories to show annual turnover were not available. Neither could we ascertain with certainty the extent of trade discounts for this class of goods. We were informed, however, that considerable speculation in the prices of both materials and finished products exists. (Pages 228-229.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. II. Appendix IV. The Paper Box Industry.

Status of the Trade.

The question now arises, what can the trade afford to do? Unquestionably the business is growing. Our accountant was able to secure financial statements from the books of ten representative firms. Wherever possible these were checked up from the original records. There were many differences noted in the distribution of various items by certain firms. The estimation of overhead charges and the calculation of profit are subject to correction. The following comparative and summary schedule shows the analysis of accounts for the fiscal year of 1912.

Paper Boxes.

Percentages of Expenses and Receipts, Based on Net Sales.

Factory Number	Cost of material used in manufacture of goods sold	Wages of employees engaged directly in manufacturing	Other manufacturing costs	Selling and delivery	Office
206	38.80	26.62	8.70	9.13	2.83
232	37.90	22.50	11.30	19.30	2.20
252	28.17	33.14	24.01	10.13	*
274	35.85	30.71	9.05	7.53	3.69
282	29.50	39.00	6.10	5.20	2.90
283	30.41	16.78	24.25	12.61	3.31
322	32.43	30.44	6.63	4.74	0.74
323	45.99	18.65	5.93	4.31	1.61
354	82.63	22.10	7.61	5.32	1.40
355	40.90	24.93	13.40	7.54	1.34
Average	35.25	24.83	14.73	9.84	2.97

Factory Number	General Expense	Administrative Salaries	Net Profits on sales	Other Income	Total Net Profits
206	0.93	6.05	6.92	1.77	8.69
232	2.50	2.30	1.40	----	1.40
252	*8.62	*	†4.07	0.77	†3.30
274	3.15	5.80	4.22	0.45	4.67
282	2.60	12.50	2.20	0.30	2.50
283	2.66	5.40	4.58	0.87	5.45
322	----	----	25.02	----	25.02
323	0.42	11.36	10.63	----	10.63
354	3.03	5.01	22.38	----	22.38
355	2.86	2.04	6.88	2.11	9.00
	2.25	4.30	6.40	1.00	7.40

* The amount chargeable to the Paper Box Manufacturing Branch of this Business for Office and General Expenses and Administrative Salaries is estimated and charged in a lump sum. The details could not be obtained.

† Loss.

This represents sales amounting to over $1,347,000. A notable feature is the large item for miscellaneous costs. Paper boxes are awkward to handle and expensive to store, so that rent and delivery charges also figure

large. The labor cost is one-fourth of the value of the marketed product. Net profits do not appear to be excessive, if these figures can be trusted.

It is remarkable how greatly the labor cost varies. This, of course, is in part due to the amount of machinery and supplementary or "non-productive" labor used. Still a variation of nearly 100 per cent. (from 17 per cent. to 39 per cent.) leads one to believe that the economy of the business is by no means standardized.

Paper boxes are probably cheap enough considering the human labor that enters into their manufacture. According to our figures, an increase of 10 per cent. in the general level of wages would not necessarily raise the price 2.5 per cent., nor reduce profits by the same amount. (Pages 268-269.)

Ibid. Vol. II. Appendix IV. The Confectionery Industry in New York State.

. . . The confectionery trade is one that is capable of earning large profits for the entrepreneur. The rapid growth of the industry within recent years is ample proof of this. A wholesale merchant asserted that his candy, taken together, did not cost more than 12½ cents per pound, and although profits were stated to be less than ½ cent a pound, it was admitted that the annual output was several million pounds.

Of total costs, labor is a comparatively small proportion. The 13th census gives 13 per cent. as the share for wages. The principal expense is for materials. Only in the higher grades of goods is skilled manipulation essential. . . .

The following summary from the last Federal Census indicates the development of the confectionery industry in the United States during the last six decades. It furnishes a suitable conclusion for this section of the report.

GROWTH OF THE CONFECTIONERY INDUSTRY IN THE UNITED STATES.

	Number of establishments	Wage earners (average number)	Wages	Cost of Materials	Value of Products	Value added by manufacture
1909	1,944	44,638	$15,615,388	$81,150,773	$134,795,913	$53,645,140
1904	1,348	36,239	11,699,257	48,810,342	87,087,253	38,276,911
*1899	962	26,866	8,020,453	35,354,208	60,643,946	25,289,738
1889	2,921	21,724	7,783,007	31,116,629	55,997,101	24,880,472
1879	1,450	9,801	3,242,852	17,125,775	25,637,033	8,511,258
1869	949	5,825	2,091,826	8,703,560	15,922,643	7,219,083
1859	541	2,340	688,423	2,990,186	5,361,100	2,370,914
1849	383	1,733	458,904	1,691,824	3,040,671	1,348,847

* Small shops no longer counted.

According to these returns, the wage-earners have been multiplied 26 times; the wages paid 34 times; the value added in manufacture 40 times; the value of the product 48 times; and elsewhere it is reported that the capital involved has increased 68 fold. The question now arises whether the workers are receiving their share in this growing industry.

An adequate answer to this question would require a more detailed analysis of better cost and financial accounts than we have been able to obtain. Most manufacturers do not keep records showing the efficiency of factory workers or the value of the product at various stages of completion. An employee is "worth" as much as he can get according to the general level of the labor market. How much he actually earns by adding through his labor, value to the product, is not known.

As to net profits, we are unable to report, because manufacturers objected seriously to revealing complete financial accounts. It is generally agreed, however, that the selling price of sweets is well above their cost, the materials being the principal item of expense. The rapid turnover of capital and its remarkable increase as shown by the Census figures quoted above, indicate that the business is not unprofitable. (Pages 337-338.)

Fourth Report of the New York Factory Investigating Commission. 1915. Volume V. Public Hearings.

Dr. Howard B. Woolston, Director of Wage Investigation; Assistant Professor, College of the City of New York:

Now as to the cost of labor: You probably know that the proportionate labor cost in the total expense of manufacture and sales varies enormously. According to the Federal statistics it ranges from 4 per cent. in the making of sugar to about 49 per cent. in the making of steel cars. . . . To give you a more concrete example, a more vivid one, let us take the case of the blue chambray working shirt, such as motormen and carters wear, which retails for about 50 cents. It costs the manufacturer to make it about $2.85 a dozen, and he sells it to the jobber for about $3 to $3.50 a dozen. Now the material that is in that shirt costs the manufacturer about twenty cents and the labor for cutting, sewing and packing costs a little less than five cents.

It has been asked what the cost of increasing wages in certain lines might be. For purposes of illustration I made some calculations as to what the cost of a rise of wages would mean. In the industrial lines we found some four thousand women of 18 years and over who were getting less than $8 a week. They averaged $5.79. What would it cost to raise these women up to $8 a week? It would add about 7 per cent. to the payroll. But the wages of labor being only about 13 per cent. of the total cost of manufacture, it would add 7 per cent. of 13 per cent. to the cost. In candy that would mean increasing the cost of 100 lbs. of candy twenty-four cents. (Pages 2564-2565.)

Q. Twenty-four cents on 100 pounds of candy? A. Yes, sir.

Q. That would be about one-quarter of a cent a pound? A. Yes, sir.

The same thing was figured out about raising the sales people in the stores. It would amount to one-third of 1 per cent. to raise the saleswomen to $9 for the large department stores. In the neighborhood stores it would

necessitate pricing articles a full dollar instead of 99 cents, in order to raise the mature women to $9 and the girls under eighteen to $6.

With regard to profits it has sometimes been asked, what would the effect be on them? You see there are three things that may be affected—the price of goods, or the number of workers who may be displaced, or the profits that may be cut down on the basis of the figures we have. To raise 5,000 women in the large New York City stores to $9 would add about $11,000 to the payrolls. Supposing that the cost of stock and sales departments in the stores is about 8 per cent. of the expense, it would amount to one-half of one per cent. of the net returns on the sales. Now if the annual turnover, as in most stores, is five or six times per annum, this would amount to abstracting from the net earnings of 5 per cent. one-half of one per cent.

Q. Where do you get your figures? A. The figures as to the persons involved and the amounts paid are from the returns from the stores. The proportions used in determining what percentage is paid are from the returns of accountants to whom we were referred by persons interested and concerned in the dry goods business. I can not mention the names of the accountants unless the Commission particularly wish me to. (Pages 2565-6.)

Wages in New York. Howard B. Woolston, *Director of Investigation for the New York State Factory Investigating Commission. The Survey, February 6, 1915.*

In the paper box trade, it was found from the returns of ten typical plants, that the labor used directly in manufacture received from 17 per cent. to 30 per cent. of the value of the marketed output. Certainly no exact standardization is here apparent. In the candy trade, the average labor cost is about 13 per cent. of manufacturing expenses. Candy ordinarily costs from twelve cents to fifteen cents a pound to make; but may sell at retail from thirty cents to sixty cents a pound. An increase of wages does not seem impossible in such a business.

The question then arises, what can business afford to pay, and what effect would a rise in wages have upon prices and profits? For illustration let us take the weekly rates of wages of 45,000 department store employees receiving $50 or less. This number includes nearly 4,000 girls, under eighteen years of age, who earn less than $6 a week, and more than 13,000 women, eighteen years or over, who earn less than $9. Now suppose the wages of all these low-paid girls and women were raised to the figures just mentioned, $6 and $9 respectively. How much would this add to the weekly pay-rolls of these stores? In round numbers over $38,000. But this amount is only 8.5 per cent. of the total pay-rolls. Now if the total cost of selling goods is 30 per cent. of their retail price (which is high), and if the total labor cost in stores amounts to 50 per cent. of all running expenses (which is also generous), then the total labor cost is 50 per cent. of 30 per cent., or 15 per cent. of the selling price. If now we increase this 15 per cent. by 8.5 per cent., we add 8.5 per cent. of 15 per cent., or 1¼ per cent. to the price of the goods.

In other words, by selling articles marked ninety-eight cents or ninety-nine cents for $1, the total increase in wages would be covered without causing displacement of workers, decreasing profits, or improving methods of business. This slight addition to prices would secure an average weekly increase of $1.38 to 4,000 girls and $2.38 to 13,000 women (29 and 36 per cent. above their respective average earnings).

But how would this affect profits, if prices could not be raised? Assuming that the net annual profits amount to 5 per cent. on the business done, a reduction of 1¼ per cent. looks large. But when we remember that the stock of most busy stores is turned over five or six times a year, an annual dividend of 5 per cent. on the business means a return of five or six times that on the basis of the capital invested. That is, if $200,000 invested in goods is turned five times so as to yield $1,000,000 worth of business in a year, a return of 5 per cent. on this total amount is $50,000 or 25 per cent. on the actual amount invested.

In other words, 5 per cent. less 1¼ per cent. leaves only 3¾ per cent. net profit. But five times 3¾ per cent. on each turn-over means nearly 19 per cent. net returns on the investment. Even such a proposal does not appear to deprive representative firms of inducements for continuing business. (Page 511.)

Is the Minimum Wage a Menace to Industry? N. I. Stone, *Chief Statistician, Wage Scale Board of the Waist and Dress Industry of New York. The Survey, February 6, 1915.*

One of the strongest objections to the minimum wage is the additional tax which, it is claimed, the increased wage will impose upon industry. It is argued that the greater cost of production must be covered by charging higher prices to consumers. Where competition from states in which lower wages prevail, makes that impossible, manufacturers must stand the loss, with the imminent ruin of their business as a consequence. . . .

But is it true that an increase in wages invariably leads to an increase in the cost of production? Though it seems a most natural consequence, a study of industrial conditions the world over leads to the conclusion that such is by no means the case. All things being equal, the higher the wages or the shorter the hours of labor, the higher must be the cost of production. But modern society never stands still for a moment, and not all things remain equal when important changes in wages or hours take place.

In the great world markets to-day in which the products of every foreign nation compete on an equal footing and lowest prices for equal quality are the sole road to success, it is not the countries in which lowest standards of wages prevail that claim the greatest share of the business, but those paying the highest wages. In spite of the fact that the highest wages prevail in practically every industry in the United States, as compared with corresponding industries in foreign countries, American goods successfully compete in foreign markets with those produced by the lower paid labor of Europe and Asia.

American Competition.

These goods include a great variety of products in the manufacture of which skilled labor is employed in the United States, such as hardware, fine tools, razors, fire-arms, sanitary goods and appliances, boots and shoes, corsets, furniture, electrical appliances, machinery of almost every description, agricultural implements, clothing, automobiles, structural steel, and cotton goods.

The mere fact that so many industries are able to combine high wages with low prices as compared with countries in which much lower rates prevail—wages in Europe being about one-half of those in the United States, and in the Orient from one-tenth to one-fourth—points to the presence of a general cause connecting high wages with low costs of production and vice versa. Economists have been in agreement for some time that highly paid workers are in the end the cheapest labor, but until the United States Tariff Board undertook an intensive study of comparative costs of production on an extensive scale, in a number of leading industries, we lacked the necessary statistical data to demonstrate the operation of this law.

The most important fact established is the absence of such a thing as *a* cost of production in an industry not only in one country, but even in the same city.

As confirmed by the later investigations of the New York State Factory Investigating Commission, and the Massachusetts Commission in other industries, and of the Wage Scale Board of the Dress and Waist Industry in New York City, the tariff board found that establishments existing side by side and competing in the same market are paying wages differing as much as 50 per cent. for substantially the same grade of labor. It also found that neither the labor cost not the total cost of production varies in a direct ratio with wages.

Thus in paper and pulp manufacture it was found that the labor cost of making a ton of news-print paper in the United States varied from $2.19 to $7.26 per ton.*

* U. S. Tariff Board Report on Pulp and News-Print Paper Industry, 1911, p. 39.

The most remarkable fact about it was that the mills paying the lowest wages and having a twelve-hour day, had a higher labor cost per ton of paper than those paying the highest rates of wages and having an eight-hour day.

The solution of this puzzle lies in the chapter of the report dealing with the efficiency of equipment in paper mills. Mills were found to vary greatly in this respect. Some had machinery thirty years old; others boasted of machines with latest improvements. The older machines had a capacity of 17 tons in 24 hours, whereas the newer machines could produce 50 tons. The result, according to the tariff board report (page 52), was that the machine cost of labor per ton of paper was $1.84 on the old and only 82 cents on the new, the same rate of wages being paid to the machine tenders in each case.

But important as the mechanical equipment is in determining the efficiency of labor, the human equation is subject to no less variation under certain conditions.

The figures secured by the tariff board from the books of several mills (including those to which reference was made before the committee of Congress) showed a diminution in the labor cost per ton of paper from $4.35 to $3.73 in 1909, under the eight-hour system. In other words, an increase in the hourly rate of wages to the extent of 50 per cent. not only failed to result in a corresponding increase in the cost of labor per ton of paper, but was accompanied by an actual lowering in cost. Though the figure of $4.35 in 1908 happened to be the highest in ten years, the tariff board report (page 79) showed that there was not a single year in that decade under the twelve-hour system which showed as low a cost as in 1909, the first year under the eight-hour system. On the other hand, when it is remembered that during a large part of the year 1909 the mills were idle, owing to the strike for shorter hours, and that costs are usually above normal when a plant is started up after a long period of idleness, there is every reason to believe that the labor cost was still further reduced after 1909. (Pages 512-13.)

Even more striking proved many of the facts disclosed by the investigation of the cotton industry. In spite of higher wages prevailing in the United States, as compared with England, and the longer start which the English cotton industry has had over the American, it was found that many varieties of cotton goods, including some of the finest women's dress goods, were sold at lower prices in the United States than in England, and exported to Canada in competition with British goods despite the preferential tariff in favor of England which places imports from the United States at a disadvantage.* That American cotton goods compete with English in China and South America, was known before the tariff board made its investigation. But fear was expressed of the coming menace of Japanese competition with its fifteen-cents-a-day weavers. The tariff board, therefore, extended its investigation to Japan, and figures compared with similar data for corresponding mills in the United States led to the startling revelation that, with the superior American machinery and superior personal efficiency of American labor, the American weaver receiving $1.60 a day was in certain cases cheaper than the Japanese weaver at 18½ cents a day.†

A study by the tariff board of labor efficiency in the various processes of wool manufacture showed that almost invariably the mills paying higher rates of wages per hour, produced goods at a lower cost than their competitors paying less. . . .

In the carding department of seventeen worsted mills, the mill paying its machine operatives an average of 13.18 cents per hour had a machine labor cost of four cents per hundred pounds; while the mill paying its machine operatives only 11.86 cents per hour had a cost of twenty-five cents per hundred pounds. This was due largely to the fact that the lower cost, high wage mill had machinery enabling every operator to turn out more than 326 pounds per hour, while the high cost, low wage mill was turning out less than forty-eight pounds per hour.

* U. S. Tariff Board Report on Cotton Manufactures, pp. 563-575.
† *Ibid.*, p. 12. Weavers' wage bill, table 162, p. 526.

The same tendency was observed in the carding departments of twenty-six woolen mills. The mill with the highest machine output per man per hour, namely, 57.7 pounds, had a machinery labor cost of twenty-three cents per hundred pounds, while the mill with a machine output of only six pounds per operative per hour had a cost of $1.64 per hundred pounds. Yet this mill, with a cost seven times higher than the other, paid its operatives only 9.86 cents per hour, against 13.09 cents paid by its more successful competitor.

These examples could be repeated for other departments of woolen and worsted mills, but will suffice to illustrate the point that higher rates do not necessarily mean higher costs. They show that mill efficiency depends more on a liberal use of the most improved machinery than on low wages. Thoughtful planning in arranging the machinery to save unnecessary steps to the employees, careful buying of raw materials, the skilful organization and utilization of the labor force in the mill, systematic watching of the thousands of details, each affecting the cost of manufacture, will reduce running expenses to an astonishing degree. (Pages 512-513.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chapter I. Victoria.

Comparable figures on production costs are hard to obtain for the period during which the policy of minimums has been in effect. However, the following table indicates in a general way the factors involved in production in different years.

	1904 Per cent.	1912 Per cent.
Wages*	20.7	22.2
Fuel and light	1.6	1.5
Materials	57.8	59.5
	80.1	83.2
Articles produced	100.0	100.0
Margin for profits and other expenses	19.9	16.8

* Victorian Year Book, 1904, p. 586, 1912-13, p. 752.

Inasmuch as all of the industries in the state are comprehended in these statistics, it is not possible to point to any definite effects due to the wages boards. It is significant, however, that during eight years the relative amount of wages paid has increased only one and one-half per cent., and that since 1904. The total cost of production has increased but three per cent. in this period and the profits accruing to employers have diminished by a like proportion. From these facts we may conclude that while the cost of production has risen, this rise in relation to higher wages in individual industries is very problematical. Although wages have materially increased in certain lines, their effect has been counter-balanced by other factors, such as increased efficiency, and to some degree, higher prices.

We have seen that there has been a slight increase in the cost of production in Victorian industries taken as a

whole. We have also seen that prices have in some trades been raised because of determinations, the cost of production thereby being passed on to the consumer. This has been true more especially of purely local industries in which machinery was little used, such as dressmaking.* In the case of staple products labor legislation has had little effect on prices as was found by the New Zealand Commission on the Cost of Living in 1912. The extra charge of higher wages must then be met by increased efficiency of the productive organization or by a reduction in the proportion of profits. There is reason to believe that both tendencies have been operative to some extent. Viewing both phases of this general problem, cost of production and higher prices as related to higher wages, we must conclude that for Victoria higher wage standards have not necessarily meant higher prices for products. Nor have they necessarily meant lower rewards for capital. The charges due to higher wages have been shifted in part to the general public, in part to the management of business. In either case society as a whole has been the gainer. (Pages 1918-1919.)

Industrial processes have been specialized, sometimes in response to wage determinations, and the effect of higher wages has thereby in part at least, been neutralized. (Page 1953.)

Chapter III. New South Wales.

The relation of the wage budget to the cost of production in manufacturing processes is quite variable. In the food producing industries wages represent something like 7 per cent. of the value of the total output, while in shipbuilding wages amount to 56 per cent. of the total cost. It is evident that labor cost is an item of varying importance in different industries, and that its effect upon the total cost of production depends upon other trade conditions. . . .

There is no doubt that in some trades the almost uniform raising of wages by the boards has increased directly the cost of production, and hence the cost of the

* Victoria, Report of the Chief Inspector of Factories, 1904, p. 21.

product to the consuming public. In industries such as the building trades, where competition is active, the burden of increased costs has had to be met out of the profits. Where it has been possible, however, employers have increased their prices to the public. Sometimes an award has been a mere pretext for putting prices beyond even the increases in wages.* Employers' associations organized to resist industrial claims, have been known to combine in demanding unwarranted prices from the public. In this respect the history of this state is not unique in Australasia. (Page 2085.)

But without minimizing the fact that in many lines of industry, production costs and prices have arisen with higher wages, there is no patent evidence considering industry as a whole, that higher wages have necessarily increased the burdens of creative enterprise. In 1901 wages constituted on an average 19.2 per cent. of the value of the total output of the factories of the state. In 1911 this proportion had fallen to 18.5 per cent.† In the same year the average ratio of wages cost for the industries of New South Wales was lower than that of any other state in the Commonwealth.‡ Although it is probably true that State regulation has increased the cost of production in unexpected ways, there is no support for the contention that manufacturing enterprise has thereby been crippled and thwarted. The wage clauses of an award are not the only factors in the situation. Higher wages have been combined in their operation with two important resultant factors, the more extensive use of improved processes and the increasing efficiency of production. (Page 2086.)

Some Considerations Affecting Economic Reconstruction. The Round Table, London, June, 1916.

There is no question but that both in the United States and in Canada, and almost certainly in Germany, too, the value of a man's output is greater than in this coun-

* Industrial Gazette, Vol. 5, p. 428.
† Official Year Book, 1912, p. 446.
‡ Official Year Book of the Commonwealth of Australia, 1913, p. 546.

try. If the figures of the United States Census of Production are compared with ours, the result shows that, for instance, in the trades producing textiles, clothing, gas, railway carriages, paper, food and drink the proportion of value produced per wage-earner in the United States is £545 as against £245 in the United Kingdom. These values may not be strictly comparable, because more capital per man is used in the United States, and interest to be paid thereon out of the gross profits is, therefore, greater than with us. For instance, the horse-power used per worker is in the United States 2,346 as against 1,182 with us. But they are probably sufficiently accurate as a general guide, and they show how greatly the output of wealth can be increased, and what a margin is available by greater effort for the capitalist, the wage-earner and the employer, or in the alternative for a reduction of prices to the consumer. (Pages 490-491.)

Industrial Law. Frank Tillyard (*Barrister-at-Law, Chairman of Local Munitions Tribunals for the Districts of Birmingham and Coventry, Member of Trade Boards*). *Black, London, 1916.*

Lastly, there seems to have been an important change in the estimate of what may fairly be included under "cost of production". Thus a share of the burden of accidents occurring in the course of employment, of sickness suffered by work-people during the years of employment, and of distress arising in certain industries during periods of unemployment has in recent years been thrown on employers, on the general ground that the wear and tear of the human machine or tool may fairly be regarded as an element of the cost of production. The fixing of a minimum wage is based on a similar conception. An industry which does not pay its work-people a living wage is rightly called a parasitic industry, and is not bearing the whole of the cost of production. (Page 18.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation (University of London). Bell, London, 1915.*

. . . The effect of an advance in wages upon prices will depend upon the proportion which wages form of the total expenses of production. If, as in the case of chainmaking, the labour-cost of making the article is high, and there is little room for other economies, the result upon selling prices of a rise in wages will naturally be more considerable than it is in the case of an article the labour-cost of which is relatively low. Now the proportion which wages form of the total cost of making clothing varies, of course, according to the quality of the article under consideration. In the case of an expensive suit materials will probably form a smaller proportion, and wages a larger proportion, of the total expenses than in the case of a cheaper one. But fairly extensive inquiries suggest that wages rarely form more than one-third, and often, perhaps generally, not more than a quarter, of the cost of producing clothing. The figures supplied us by five firms are as follows:

A. Proportion of wages to total cost of producing garments 17½ per cent. to 20 per cent. for suits retailed at 21s. to 25s.

B. Proportion of wages to total cost of producing garments 20 per cent. for suits made wholesale at 30s., 35s., 40s. and 50s.

C. Proportion of wages to total cost of producing garments 23 per cent. ("a suit sold for 30s. costs 1s. for cutting and 6s. to make, or 7s. in all").

D. Proportion of wages to total cost of producing garments about 33 per cent.

E. Proportion of wages to total cost of producing garments 44* per cent. (average figures for four years).

* This apparent exception to the statement made above is only apparent. The firm in question makes up much material supplied it on commission. It estimates that in its case the proportion of wages to the total cost is about double what it would be in the case of an ordinary firm.

Obviously in these circumstances, a rise in the wages of persons engaged in the tailoring trade will make a comparatively small addition to the total cost of production. On the assumption that wages constitute about 25 per cent. of the expenses of manufacturing clothing, an increase of 10 per cent. in the wages bill would mean an increase of 2½ per cent., and a rise of 20 per cent. in the wages bill an increase of 5 per cent. in the cost of production. Materials are a far more important item in the manufacturers' expenses, and the cost of materials has been rising. Hence, while it is true that a certain number of retailers and manufacturers ascribe the rise in prices to the Insurance Act, or to the Trade Boards Act, or to both, there seems more to be said for the view of the larger number who have insisted that, apart from any legislation, prices would have risen owing to the increased cost of materials used in the manufacture of clothing. "Wool of various classes," stated a large firm in June, 1913, "has advanced from 10 to 15 per cent. during the last six to nine months, and the cost of dyeing and finishing has risen by about 10 per cent." (Pages 99-101.)

The Promotion of Industrial Harmony. Professor L. T. Hobhouse. *Proceedings of the Section of Economic Science and Statistics of the British Association for the Advancement of Science. Manchester, 1915.*

If you take any industry by itself and regard the price of its product as a fixed quantity, you can always show that the margin for a possible increase of wages is very small. But this is no valid argument against the possibility of a general increase in the share falling to the manual workers in industry, since such advance, if continuously pressed, must effect a gradual re-arrangement of the scheme of distribution, and therewith of the rates at which commodities are exchanged for one another. The argument from the impossible has been used against every improvement of the workman's position in the past, and has been constantly disproved by the event. (Pages 42-43.)

The Future of Work. L. G. Chiozza Money, M. P. *Unwin, London, 1914.*

It is not yet widely understood that the cost of the worker is not the same thing as the cost of the work. It is the cost of the unit of work that matters. The Japanese cotton operatives, with their few pence a day, cannot rival the work of Lancashire operatives, who earn more in a few hours than Japanese operatives earn in a week. The absurdly low wages of the Japanese do not enable Japan to beat us in competition in the cotton trade. The much higher Lancashire wage amounts to a lower cost of labour per unit of work.

It is perfectly true that wages are an element in price, but they do not form an element which is directly proportionate to the rate of wages paid. On the contrary, cheap labour is a dear element in price, and dear labour is a cheap element in price up to the point at which the wage is high enough to produce the maximum of efficiency. (Pages 155-156.)

The Economy of High Wages. An Inquiry Into the Cause of High Wages and Their Effect on Methods and Cost of Production. J. Schoenhof. *Putnam, New York, 1892.*

. . . Though cheap labor gets less remuneration per diem, its cheapness is no saving to the employers. More hands are required to do the same amount of work that better paid labor does at the same cost. (Page 22.)

It is a fortunate sign of the times that we are at last beginning to recognize the all-important and redeeming fact, that cheap labor by no means means cheap production; that, on the contrary, low cost of production and a high wage rate go hand in hand. (Page 31.)

If a high wage rate is an impelling cause in this country to the introduction of improvements and the adoption of labor-saving processes, the low wage rate per diem ruling elsewhere is an equally strong inducement for the continuance of rusty and antiquated methods. (Page 35.)

A high rate of wages expresses a high rate of pro-

ductiveness, and its converse a high consuming power. A relatively high consuming power, high standard of living, is required to make the laborer efficient, strong in body and in mind. Without this, labor remains economically more or less sterile, for which an adequate proof will be given in the further progress of this work, treating the industries of the country seriatim. Employers can therefore under no possibility lose where a permanently high rate of wages rules. They cannot possibly lose under a rising rate of wages even, as a rise in actual wages is only possible with a rise of the productive power of labor. A higher rate of wages than the one of a previous period simply registers the change which has gone on in the direction of improvement in the economy of production. But instead of being injured, the employer gains positively by the rise in the standard of wages through the increasing demand thereby created for the increasing product. (Pages 63-64.)

It is then clearly evident that there is no greater fallacy than the doctrine that a low rate of wages is necessary to insure a low cost of production. In fact, the opposite is shown to be the true principle upon which the productive processes of nations rest. (Page 65.)

Boots and Shoes.

We are certainly justified in saying in regard to this industry that a low cost of production and a high rate of earnings go hand in hand, and are the result of the most intelligent application of the most improved methods and labor-saving inventions in the economy of production. Applied to the test of foreign competition, this is proved with most convincing clearness by this statement of comparative cost and comparative earnings:

	Cost of Labor	Weekly Wages— Male	Female
Lynn, Mass.	$ .35	$12.00	$7.00
Stafford, England	.63½	5.76 to 6.24	2.83
Leicester, England	.64	6.72 to 8.40	3.60 to 4.32
Berlin	.67	4.80 to 7.20	
Frankfort	.61	4.32 to 7.20	2.16 to 3.60
Vienna	.71	4.30 to 9.60	4.40

This is not, on a general question, based on averages, but on a closely defined article. An American sample, procured from a Lynn factory, formed at each place the subject of a personal inquiry, so that no doubt could be legitimately raised. The differences in the cost of production and in the relative earnings are all due to differences in the labor methods, the results of the habits and trade conditions of the peoples. They all employ machinery. The goods are everywhere factory products. The machinery is nearly all American or of American origin, with foreign improvement or adaptation. Yet these are the results. (Page 24. Page 374.)

United States Congress. Senate Document No. 31. Report by the Tariff Board Relative to the Pulp and News-Print Paper Industry. 62nd Congress, 1st Session, 1911.

The next table shows itemized cost for a much larger number of ground-wood pulp mills for a series of years. The items for 1900 could not be satisfactorily secured, and hence are omitted for that year. Itemized costs per ton of ground-wood pulp are given from 1901 to 1909, inclusive. Here, again, the variations relate almost entirely to the cost of wood, and the increase in wood cost almost exactly equals the advance in total cost. As a matter of fact labor conditions had radically changed in most of these pulp mills; wages had been increased, reduced, and increased again; hours of labor had been radically reduced, and yet manufacturing labor costs were lower at the end of the period (1909) than in the beginning (1901).

TABLE 25.

Itemized Cost of Production of Ground Wood Pulp, by Years, 1901-1909.

Items	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
Material, wood	$6.48	$6.96	$7.09	$7.41	$8.38	$8.78	$9.08	$9.50	$11.14	$11.82
Conversion:										
Manufacturing, labor	.....	2.45	2.37	2.57	2.53	2.46	2.46	2.55	2.64	2.34
Pulp stones	.....	.14	.12	.11	.10	.09	.10	.11	.11	.10
Felts	.....	.16	.12	.11	.11	.12	.14	.13	.10	.09
Wires	.....	.....	.....	.01	.03	.03	.03	.04	.04	.04
Screen plates	.....	.08	.05	.06	.06	.07	.07	.05	.05	.06
Belting	.....	.10	.07	.07	.07	.06	.06	.07	.07	.06
Lubricants	.....	.05	.04	.03	.04	.04	.04	.04	.04	.04
Repair materials	.....	.56	.49	.49	.61	.56	.62	.77	.88	.59
Repair labor	.....	.37	.29	.32	.36	.30	.29	.32	.41	.43
Fuel, coal	.....	.02	.01	.....	.04	.02	.01	.02	.04	.03
Barn	.....	.....	.....	.03	.04	.03	.03	.02	.03	.02
Miscellaneous operating expenses	.....	.11	.10	.04	.05	.06	.07	.07	.16	.24
Office	.....	.....	.....	.01	.01	.02	.02	.02	.02	.02
Water power	.....	.38	.34	.37	.36	.36	.37	.40	.60	.45
Total	4.15	4.42	4.01	4.25	4.47	4.21	4.31	4.60	5.19	4.51
Direct cost	10.63	11.38	11.10	11.66	12.85	12.98	13.39	14.10	16.34	16.33
Fixed charges:										
Insurance and taxes	.....	.04	.03	.05	.07	.17	.17	.15	.32	.25
General expense	.....	.09	.08	.10	.11	.08	.08	.09	.....	.....
Total	.21	.13	.12	.15	.19	.25	.25	.25	.32	.25
Total manufacturing cost	10.84	11.51	11.22	11.81	13.04	13.23	13.64	14.35	16.66	16.58

(Page 78.)

Congressional Record. Vol. 47. Part 2.
Speech of WILLIAM C. REDFIELD
on Wool Schedule. 62nd Cong
1911.

Last January I was in the city of T
who was with me took a large cont
from the Japanese Imperial State R
competition with Germany and Englan
lion dollars' worth of locomotives. Th
to the head of the locomotive shops of
ways, and the Japanese master mech
"We can make locomotives much che
in America. We have American equip
produce them for less than you can."
quired my friend. "If so, let us get
you will tell me from your cost shee
your locomotives cost, I will tell you
And, by the way, he said: "What mak
your locomotives cost less than ours?"
"because we only pay one-fifth the w
that you pay to yours." So they got t
they found that the fact was that the l
motives on the same specifications wa
half times greater in the Japanese
American shops. And that is a perf
and not an abnormal one. (Page 1940

The important factor in labor cost
wage, but the rate of output. It is not
what you get for what you pay that cou

I have just stated in the matter
serious element is not the rate of wag
output. . . .

Output varies with the character of
equipment, its arrangement, or other
with the nature of the superintenden
pline, and so forth. It is absurd to s
done by a man paid $4 daily costs mor
work done by a man paid $2 daily. .
the wage rate as the controlling factor
unit is both inadequate and misleadin

are a very notable example of this. The English railways have vastly cheaper labor than we, but their freight charge per ton-mile is two and one-half times ours. . . .

To say a man gets $3 per day means nothing at all as to the cost of his product. It may be either low or high, and the wage rate taken by itself alone affords no basis of comparison. Apart from the wage rate, labor cost per unit is very largely under the control of the manufacturer and may be radically altered without changing the wage rate. . . . (Page 1942.)

I know of a machine manufactured in this country—an engine that sells for $87.50. In our factory we manufacture an engine of the same size that we sell for $350. How is it that our competitor does not get all the business?

. . . The cost of production is more influenced by rate of output, and its quality, than by rate of wage or hour of labor. (Page 1946.)

A steadily decreasing labor cost per unit of product is not inconsistent with, but is normal to a coincident advance in the rate of pay for the work, when accompanied with careful study of methods and equipment. Now, these principles have stood the test, gentlemen, of two panics, and of a single year when we lost 35 per cent. of all our business at one stroke, because the industry that gave it to us collapsed. It went almost out of existence, and new business had to be found from some other place. Yet no man's wages were cut.

I repeat, a steadily decreasing labor cost per unit of product is not inconsistent with, but on the contrary, is normal to, a coincident advance in the rate of pay for the work when accompanied by careful study of methods and equipment, as previously suggested. Conversely, low-priced labor nearly always is costly per unit produced, and usually is inconsistent with good tools, equipment, and large and fine product, else such labor would not be low-priced. (Page 1946.)

Now, however, that scientific manufacturing as a profession has begun and is growing, the fact is found that we can and often do produce as cheaply here as abroad,

not despite of, but because of, the higher rates of wages here, which are but a partial measurement of the higher efficiency and character of the American workman and of the fine equipment put at his disposal. (Page 1948.)

United States Congress. House Document No. 643. Report of the Tariff Board on Schedule I of the Tariff Law. 62nd Congress, 2nd Session, 1912.

As is well known, wages or earnings are not necessarily an index of the labor cost of any particular process of manufacture. The labor cost per yard depends on the relation between wages and output. An extreme illustration can be shown by figures secured by the Board in Japan. It is true that the wages of spinners and weavers per day in that country are very low, but the number of operatives employed to secure a given output is much greater than in this country. In the case of spinning, the lower wages paid are not offset by the larger number of persons employed, and consequently the amount paid to spinners per pound of yarn is materially less than in this country. On the other hand, Japanese weavers tend only one or two looms, and the lower output per weaver under existing conditions makes the amount paid the weaver per yard of cloth about 80 per cent. of the amount paid in this country where plain looms are used in this country; while compared with the use of automatic looms the amount paid the weaver per yard of cloth is greater than in this country. (Page 12.)

Schedule K. The Effect of the Tariff on the Wool Grower, the Manufacturer, the Workman, and the Consumer. N. I. Stone, *Formerly Chief Statistician of the Tariff Board. Century Magazine, May, 1913.*

Industrial efficiency depends on a great many conditions, an adequate discussion of which would take us far afield. One fact, however, stands out pre-eminently, and must be emphasized until it is seared into the consciousness and conscience of the American citizen, and

that is that industrial efficiency, which is synonymous with low labor cost, does not mean, or depend upon low wages. Yet the lower wages in Europe constitute the stock argument in every plea for protection that is dinned into the ears of Congress.

Almost invariably the mill paying higher wages per hour showed lower cost than its competitor with lower wages.

Thus, in wool scouring the lowest average wages paid to machine operatives in the thirty mills examined was found to be 12.16 cents per hour, and the highest 17.79. Yet the low-wage mill showed a labor cost of 21 cents per hundred pounds of wool, while the high-wage mill had a cost of only 15 cents. One of the reasons for this puzzling situation was that the low-wage mill paid nine cents per hundred pounds for supervisory labor, such as foremen, etc., while the high-wage mill paid only six cents. Apparently well-paid labor needs less driving and supervising than low-paid labor. (Page 118.)

Principles of Economics. Edwin R. A. Seligman, *Professor of Political Economy, Columbia University. Longmans, Green & Co., New York, 1914.*

Economic production implies the turning out of the greatest product with the least cost. So far as the wages of labor form an element of cost, it would seem to follow that low wages or cheap labor is a necessary condition of low cost. Before accepting this ostensibly self-evident proposition, however, it is necessary to pursue the analysis further. (Pages 289-290.)

. . . In any single industry low wages do not necessarily mean low cost. The real cost of labor is to be measured by its productive efficiency. Just as the hundred-thousand-dollar railway president is cheap because an inferior and low-priced substitute would botch matters and increase expenses, so in the case of the ordinary wage-earner the real cost is to be measured by the ratio of wages to the product of labor. In the Philippines the contractors find it in the end cheaper to hire the Chinamen in preference to the natives, although the former

command larger wages; in the Southern cotton factories the white laborer is found more advantageous than the negro factory hand, who can be hired at a materially lower wage. Furthermore, in the same industry and with the same workmen neither an increase of wages nor a curtailment of labor time necessarily augments cost. Where a reduction of hours or an increase of wages succeeds in enhancing energy, care and sobriety, the output may be greater than before. Especially where fine machinery is used and a high grade of intelligence is required to secure the best results, we often find a true economy in high wages and a lower cost in shorter hours. (Pages 290-291.)

So far as labor is a factor of production, cost depends not merely upon wages, but upon wages as compared with output. Under certain conditions there is a true economy in high wages; the more a workman is paid, the less he may cost. (Page 291.)

. . . The true reduction of labor cost of permanent importance is that caused by increased efficiency. The more of a man a laborer is, the better tool he becomes. Whatever society does to improve the individual will be more than repaid by an augmented production of wealth. (Page 293.)

Principles of Political Economy. JOHN STUART MILL. *Vol. I. Appleton, New York, 1874.*

Wages, and the cost of labour; what labour brings in to the labourer, and what it costs to the capitalist; are ideas quite distinct, and which it is of the utmost importance to keep so. For this purpose it is essential not to designate them, as is almost always done, by the same name. Wages, in public discussions, both oral and printed, being looked upon from the same point of view of the payers, much oftener than from that of the receivers, nothing is more common than to say that wages are high or low, meaning only that the cost of labour is high or low. The reverse of this would be oftener the truth: the cost of labour is frequently at its highest where wages are lowest. (Page 512.)

Ibid. Vol. II.

We continually hear of the disadvantage under which the British producer labours, both in foreign markets and even in his own, through the lower wages paid by his foreign rivals. These lower wages, we are told, enable, or are always on the point of enabling them to sell at lower prices, and to dislodge the English manufacturer from all markets in which he is not artificially protected.

Before examining this opinion on grounds of principle, it is worth while to bestow a moment's consideration upon it as a question of fact. Is it true, that the wages of manufacturing labour are lower in foreign countries than in England, in any sense in which low wages are an advantage to the capitalist? The artisan of Ghent or Lyons may earn less wages in a day, but does he not do less work? Degrees of efficiency considered, does his labour cost less to his employer? Though wages may be lower on the Continent, is not the Cost of Labour, which is the real element in the competition, very nearly the same? That it is so seems the opinion of competent judges, and is confirmed by the very little difference in the rate of profit between England and the Continental countries. But if so, the opinion is absurd that English producers can be undersold by their Continental rivals from this cause. It is only in America that the supposition is *prima facie* admissible. In America, wages are much higher than in England, if we mean by wages the daily earnings of a labourer; but the productive power of American labour is so great—its efficiency, combined with the favourable circumstances in which it is exerted, makes it worth so much to the purchaser, that the Cost of Labour is lower in America than in England; as is proven by the fact that the general rate of profits and of interest is very much higher. (Pages 251-252.)

General low wages never caused any country to undersell its rivals, nor did general high wages ever hinder it from doing so. (Page 254.)

Manual of Political Economy. HENRY FAWCETT, M. P., *Professor of Political Economy in the University of Cambridge. Macmillan, London, 1876.*

. . . The difficulty arises from confusing wages with cost of labour; wages may be very low, and yet the labour be so inefficient, from causes previously explained, that the cost of labour may be extremely high. The English contractors who made the French railways could have engaged any number of French labourers at one-half the wages that were paid to English navvies; but so superior is the physical strength of an Englishman, that it was proved that one English navvy would do as much work as two French labourers. In this case, therefore, the cost of French labour would be as great as the cost of English labour, although the wages of the English labourer were twice as great as those paid in France. (Pages 173-174.)

The chairman of the Birmingham Chamber of Commerce lately asserted that formerly the district round that town made nearly all the locks which were used throughout the world; but that at the present time the industrial appliances of America were so superior to our own, that America imported the metal of which locks are made from Staffordshire, and exported the manufactured locks to England, underselling us in our own market. Upon inquiry it is found that all the reasons which are given to account for this superiority of American industry, either directly or indirectly, arise from the imperfect education of our people. Although higher wages are paid in the United States than in England, yet labour is said to be less costly in the former country, because the workmen there possess a quicker intelligence, greater ingenuity, and are more ready to avail themselves of improved mechanical appliances. (Page 231.)

Industrial Efficiency. A Comparative Study of Industrial Life in England, Germany and America. ARTHUR SHADWELL. *Vol. 2. Longmans, Green & Co., London, 1906.*

Wages, I repeat, are the incentive to work, and if the work is to be adequate the incentive must be adequate. Employers often fail to realize this. The complaint of the men is well founded. A manufacturer, hard pressed by competition, seeks to reduce cost of production, and the item which lies readiest to his hand is the wages bill. He cuts it down, or tries to cut it down. The step may be unavoidable; it sometimes is; but often it is not, as the result of some of the greatest strikes has shown. It is truer economy to make it the last instead of the first thing to touch. A German textile manufacturer recently worked the thing out for me in figures. I did not put it to him in that way, but I asked for some information which led him to make a minute analysis of the cost of production in his business. The result surprised him, and he told me that manufacturers in the same branch of industry have only the vaguest idea of the relative importance of the many items that make up the cost of production. It is a complicated and laborious task to work them out in exact detail, and he had never attempted it before. He found that a 10 per cent. reduction of wages was only equivalent to one farthing a yard, or one per cent., in the price of the finished product. The conclusion he drew was that wages were the last thing they ought to touch in attempting to reduce cost. (Pages 126-127.)

Even those who take a pride in doing good work for its own sake are helped and stimulated by the recognition implied in higher pecuniary rewards. It is, therefore, no reflection on any workman to say that they would work better if they were better paid. Many workmen in England are in that position. I should not venture to be so positive about it if I had not good warrant for the opinion from the quarter where it would be least expected. In the ship in which I came over from America there happened to be five English manufacturers, who

had been in America partly on business and partly for the purpose of studying industrial conditions like myself. They represented iron and steel, small arms, cotton, wool and, I believe, machinery. I am not quite sure about the last, but at any rate they included several great industries. One of them had large interests in cotton-seed oil mills in the States. They were good enough to invite me to a conference on the subject of English and American industrial methods; and we discussed it for a couple of hours. Among other things I asked this question, "How are you to get more work out of the men at home?" and the answer came prompt, "Pay them better." (Page 130.)

British Sessional Papers. Vol. VI. 1907. Report of the Select Committee on Home Work. Minutes of Evidence.

G. R. Askwith (Barrister, Arbitrator in Trade Disputes).

4281. Now there is one more point, and it is a very important one, which has been raised, and that is with regard to the price of articles and the effect of legislation upon consumers. I think you have already told me that you consider that such legislation would tend to increase efficiency?—Yes, I think so. If the workers are in a better condition they can generally do better work.

4282. If it increases efficiency, would the production of the trade increase in proportion to the labor cost?—Yes, I dare say it would.

4283. That would be the tendency to increase production?—The tendency would be that way.

4284. Therefore, if that is so, what would be the obvious effect on the price?—There would be more articles produced and therefore the price would not tend to go up so much as if a less number of articles were produced.

4285. As a matter of fact, if we take the last generation, wages have risen, have they not?—Yes, in most trades.

4286. Generally all over the country; but the cost of products has not risen?—The cost of a lot of articles has not risen, but the standard of comfort has risen.

4287. The price of articles is falling?—I believe that that is so with regard to articles necessary to life.

4288. That is to say, speaking broadly, while wages have gone up, prices have gone down in the last thirty years?—Yes, I think that that is so as a broad proposition.

4289. With regard to the effect on the cost of production, if we take our Labor Laws, Factory Acts, Workmen's Compensation Act, and all the various laws for the protection of labor, are they not equivalent to an increase in the cost of labor, or in the remuneration of labor?—Yes, I suppose they are.

4290. They are increases in the cost of management?—Yes.

4291. If a factory has to be whitewashed, for example, that increases the cost?—They have improved the condition of the worker, and in improving the condition of the worker, they have thrown the cost on the trade.

4292. Such things have introduced a real improvement in efficiency?—That has been the policy of this country ever since Lord Shaftesbury started his Factory Acts, and everyone agrees now that the Factory Acts are a most valuable addition to the legislation of this country.

4293. Quite so; and as a matter of fact, since those enactments the prices of the common necessaries of life have fallen?—Yes, that is so.

4294. In spite of the increased cost which has been thrust upon the producer?—Yes—upon the industry as a whole. (Page 210.)

Principles of Economics. ALFRED MARSHALL, *Professor of Political Economy, University of Cambridge. Macmillan, London, 1907.*

. . . We have hitherto supposed that it is a matter of indifference to the employer whether he employs few or many people to do a piece of work, provided his total wages-bill for the work is the same. But that is not the case. Those workers who earn most in a week when paid at a given rate for their work are those who are cheapest

to their employers (and ultimately to the community, unless indeed they overstrain themselves, and work themselves out prematurely). For they use only the same amount of fixed capital as their slower fellow workers; and, since they turn out more work, each part of it has to bear a less charge on this account. The prime costs are equal in the two cases; but the total cost of that done by those who are more efficient, and get the higher time-wages, is lower than the total cost of that done by those who get the lower time-wages at the same rate of piece-work payment. (Page 548.)

The Industrial Revolution of the Eighteenth Century in England. Arnold Toynbee, *Lecturer and Tutor in Balliol College, Oxford. Longmans, Green & Co., London, 1908.*

As wages are primarily determined by the amount of the produce, our first business is to inquire what determines this amount. Now, the amount of the produce depends to a large extent upon the efficiency of labour. It is this which chiefly determines the quantity of wealth the labourer can create. If we look at different countries —at America, at France, at Germany, at Russia, and at England, we shall see that there are different rates of wages in these countries. What is the main cause of this difference in the rate of wages? It is the difference in the efficiency of labour, as well as in the natural resources of the country. Here is the first great hope which the latest analysis of the wages question opens out to the labourer. It shows him that there is another mode of raising his wages besides limiting his numbers. He can increase the dividend by increasing the amount of the produce. (Page 175.)

One reason why wages in England are high compared with wages on the Continent is that the machinery used in England is more efficient than that used on the Continent, and that the physical strength and skill of the working man here enables him to superintend more machinery than the working man on the Continent is able to superintend. Machinery has also had a great effect

in raising wages; first because it has made labour more efficient, and the labourer thus produces more; and secondly because it has cheapened commodities, and therefore the labourer can buy more. You have probably heard of the bitter complaints of American manufacturers, of the high wages they have to pay, of their desperate competition with the 'pauper labour' of Europe. Now, why do men get high wages in America? Partly for the very reason we are considering, because workmen produce more in America than in other countries, for labour-saving machinery has been more rapidly invented there than in any other country. At the very time when American manufacturers were complaining of the competition of 'pauper labour' in Europe, it was shown that in the American hardware industries, in which wages were double as high as they were in England, America was underselling other countries in their own markets. (Page 176.)

Hansard's Parliamentary Debates. N. S. Vol. 4. 1909.

Mr. Winston Churchill, President of the Board of Trade:

The wages of a sweated worker bear no accurate relation to the ultimate prices. Sometimes they vary in the same places for the same work done at the same time. And sometimes the worst sweating forms a part of the production of articles of luxury sold at the very highest price. That, I think, has special reference to the argument which has been adduced in regard to some of the high-class products made abroad. A great argument upon which we rely, however, is decent provision for industrial workers. "General low wages," said Mill, "never caused any country to undersell its rivals; nor did general high wages ever hinder it." Employers who now pay the best wages are enabled to maintain themselves not only against the comparatively small body of foreign competition in these trades, but against what is a far more formidable competition for this purpose—the competition of those employees who habitually undercut them by the worst process of sweating. I cannot believe that the process of raising the degenerate and parasitical

portion of these trades up to the level of the most efficient forms of trade, if it is conducted by those conversant with the conditions of the trade and those dependent, will necessarily result in an increase of the price of the home product. (Page 387.)

Mr. H. J. Tennant, Parliamentary Secretary of the Board of Trade:

. . . Again, I would like to remind the House that high wages do not carry with them high prices. That is proved by the sweated trades. Certainly low wages do not necessarily carry with them low prices. (Page 346.)

Look at the great staple industries, I say, again. Look at the cotton trade, where the wages are highest. They compete against the same trade in India and Japan, where the wages are lowest, and they are not afraid of foreign competition. They have never found it difficult to compete against India and Japan in the neutral markets of the world. (Page 347.)

(2) Stimulus to Industrial Efficiency.

The payment of higher wages has been found an important incentive to increasing efficiency on the part of both employers and employees. It stimulates the employer to reduce costs by improvements in organization and management, and by the adoption of new inventions, and also to develop and to keep the most efficient workers.

(a) on the part of employers.

The Future of Work. L. G. Chiozza Money, M. P. *Unwin, London, 1914.*

The effect of the payment of better wages upon the master is no less marked than upon the man. Good wages are doubly blessed; they bless both those who give and those who take.

When a master in any trade is compelled to pay higher wages—no matter whether the compulsion be that his men have alternative employments offered them, or that they combine together in a trade union and demand a better wage, or that the law steps in, as under the Trade Boards Act, and says that he shall not pay low wages—the master has to look about him and mend his ways. Experience shows that he does not content himself with paying the higher wage forced upon him. He looks round to see what economies he can make to compensate him for the higher wage, and in the general case he soon finds means of effecting economies. The argument here is precisely the same as in connection with the costs forced upon employers by factory legislation in all countries. (Page 157.)

Factory laws are a great incentive to efficiency in industry, but higher wages are an even better incentive. A man compelled, by whatever circumstances, to pay good wages, respects those to whom he has to pay them, and does everything he possibly can to get his money's worth by working for efficiency in every department of his business. He watches waste, he looks out for labour-saving appliances, he looks at every penny of cost that

enters into the price of his goods. Invention is thrust upon him by necessity.

It is in the trades in which the highest wages are paid, therefore, that the greatest efficiency obtains, and it is in these that Britain finds herself most efficient. The trades in which our export power is strongest are those which are the best organised and the best paid. By the same token you shall know most surely which are the most successful countries. Pick out those nations where wages are highest, and you also pick out the nations which have the largest exports and the greatest industrial strength and competitive power. (Pages 158-159.)

A Living Wage. Rev. John Augustine Ryan. *Macmillan, New York, 1906.*

. . . A part of the increase in wages would be derived from the increased productivity of the industries in which the rise occurred. The higher wage enjoyed by the laborers would give them a higher physical and mental efficiency, and consequently a greater productive power, while the increased labor cost of production would compel business men to introduce better machinery and a better organization of industry. Most of the improvements of the last century in methods of production seem to have originated in the pressure exerted upon employers and by the demands of labor. As long as they could secure the advantages of cheap production through cheap labor, employers generally declined to undertake the exertion, risk and expense of discovering or introducing new processes. A similar condition obtains to-day in many of the industries in which labor is underpaid, and a similar course would be adopted by many employers if they found it no longer possible to hire workers for less than a living wage. (Page 311.)

The New Industrial Day. A Book for Men Who Employ Men. Wm. C. Redfield. *Century Co., New York, 1912.*

The industrial manager of today must take a different attitude toward labor from that which has been common

in the past. The day when the largest output was asked for the smallest wage is passing, not to return, for that theory of production is being proved false and expensive. It has been coincident with such waste in other ways, and provocative of such expense in many forms, that with increasing knowledge it has been outgrown and is being discarded.

The keen and careful manager of a modern plant will rather follow the law of the greatest output and the greatest wage. His thought will go to the reduction of his burden charges, to removing the cost for repairs, to keeping his producing machines moving through the largest possible percentage of the working day, to stopping the production of "seconds," to providing the uninterrupted flow of material, to cutting out the waste of time and effort; and in these productive ways he will find his time so profitably occupied that the payroll may be forgotten, save that he will, to the extent that he is wise, see that it is commensurate with the productiveness of his operatives. We may even hope that ere long he will come to say with true pride: "We pay the largest wages, and we have, therefore, the lowest labor cost." (Pages 39-40.)

He will not crowd the soul and life out of his workmen, but will recognize that their prosperity and his are bound in one, and that if his product is to be brought low in cost it must be by furnishing them the very best tools and equipment and the most favorable working conditions; because only when that is done and liberal pay with continuous employment is added to it can one get that self-discipline enforced which is the life of a high-grade modern shop. . . . Such a manufacturer will look closely and ceaselessly at his rate and quality of product, and at its sure and steady flow. He will watch his wastes and his unproductive expenses, but the last thing that will worry him will be the rate of wage. If his goods come out with few or no seconds, if his ratio of repairs and "returns" is small, if his waste of time and material is kept to a low limit, if his shop is well balanced, if the spirit in his works is that of

earnest, steady, quiet enthusiasm, if he is a leader to his men and not a tyrant over them, he will be content if his men earn high wages for his cost sheets will be right. (Pages 58-59.)

We must learn that efficiency means three things that always go together and can not be separated: the increase in our output and its improved quality, the increase in what we pay our workers, and, because of these, the decrease both in the direct and indirect cost of what we make. (Pages 71-72.)

Not long ago the superintendent of a Southern cotton mill said to his employer: "I cut down our labor cost last month."

"Did you reduce the wages?" he was asked.

"No. I raised them, but I got more done." (Page 133.)

Some Aspects of the Minimum Wage. H. A. Millis. *Journal of Political Economy. February, 1914.*

The low wages of women are not, as many would have us believe, chiefly a matter of low efficiency. To a very considerable extent they are due to exploitation. To a very considerable extent, also, they are due to the cutting of wages by employers in an effort to remain in business with poor business management and antiquated methods. Inefficiency is not found in the labor force alone. In many cases it is made good in the management at the expense of the employees. To some extent the low wages are due to the fact that competition has operated in such a way as to reduce whole industries to the position of "sweated trades".

The minimum wage legislation is designed to meet the problem thus presented. It is not in its essence a demand that the young and inexperienced and the "under-efficient" shall be paid the same wages as the experienced and the efficient. It *is* designed to standardize and to rid the trades of their *capricious differences* and to raise the level of wages where the plane of competition in the entire trade is low. (Pages 139-140.)

Work and Wages. Sir Thomas Brassey. *Putnam, New York, 1883.*

High wages do not necessarily imply dear labor, just as, on the other hand, low wages do not, of necessity, make labor cheap. (Pages 74-75.)

Doubtless the dearness of labor in England has stimulated inventive genius and administrative skill. (Page 13.)

Or again, when the superior qualities of the operatives do not fully make up for the difference in wages, the high price of labor will generally lead to the use of labor-saving machinery, which would not have been adopted had labor been cheap. (Page 76.)

A Living Wage. William Cunningham. *Contemporary Review, London, January, 1894.*

There is one important point, however, on which it is necessary to insist: the really important thing is the maintenance of a standard of comfort—and of real wages. It is only in this sense that high wages promote efficiency.

"The conviction that abundant remuneration and efficient work are correlative is so firmly held by the great mass of intelligent English employers as to give the proposition an axiomatic character. Lancashire cotton manufacturers, for example, rejoice in, and are proud of, the high earnings of their work people, and in every town there is a certain spirit of emulation among them in the endeavour, by the provision of good machinery and good material, to place their establishments in the front rank as places where the weekly wages stand highest. This principle that abundant earnings and industrial success go together, has been learned by experience, by observation, and by the interchange of idea which is always going on in every department of trade".* (Page 19.)

* Manchester Chamber of Commerce Record, Nov. 30, 1893, p. 383.

British Sessional Papers. Vol. VIII. 1908. Report from the Select Committee on Home Work.

Low-priced labor is a great obstacle to improvement. It discourages invention, and removes or prevents the growth of a great stimulus to progress and efficiency. The direct and early result of prohibiting unsatisfactory conditions in industrial life is almost invariably to direct the attention of the most competent minds in and about the trade to the production and introduction of such improvements in machinery, methods and processes as will enable the industry to continue under greatly improved conditions, and be carried on with greater success than before. In our judgment there is no reason to doubt that similar beneficial results to all concerned—employers, workpeople, and the general public—to those which have followed the establishing of minimum conditions of other kinds in various departments of industrial life, would follow the establishing by law of minimum rates of payment for such classes of workers as experience has shown are unable to secure for themselves rates of payment for work which may reasonably be regarded as even the lowest upon which an average worker can exist. (Page XIV.)

The Practical Case for a Legal Minimum Wage. R. C. K. Ensor. *Nineteenth Century, London, August, 1912.*

Let no one suppose that in these cases, or in cases where excessively low wages affect a trade, the appeal for state intervention is an appeal solely for the unemployed against the employer. Largely it is an appeal for the good employer against the bad. Many an employer whose low-wage rates are an injury to the community knows and deplores it, but is helpless in the grip of competition. (Page 272.)

On the side of trade efficiency, it seems certain that the prohibition of the worst underpayment has stimulated manufacturers to overhaul their workshops, improve plant and remove waste. In trades where under-

payment has been pronounced, there is usually much room for this: for the inefficiency of the cheap, underpaid workers almost inevitably reacts on the management. (Pages 273-274.)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

Let us, therefore, consider the probable effects of a legal minimum wage upon the brain workers, including under this term all who are concerned in the direction of industry. Here the actual experience of the Factory Acts and of strong trade unionism is very instructive. When all the employers in a trade find themselves precluded, by the existence of Common Rule, from worsening the conditions of employment—when, for instance, they are legally prohibited from crowding more operatives into their mills or keeping them at work for longer hours, or when they find it impossible, owing to a strictly enforced piecework list, to nibble at wages—they are driven in their competitive struggle with each other to seek advantage in other ways. We arrive, therefore, at the unexpected result that the enforcement of definite minimum conditions of employment, as compared with a state of absolute freedom to the employer to do as he likes, positively stimulates the invention and adoption of new processes of manufacture. This is no new paradox, but has been repeatedly remarked by the opponents of trade unionism. Thus Babbage, in 1832, described in detail how the invention and adoption of new methods of forging and welding gun-barrels was directly caused by the combined insistence on better conditions of employment by all the workmen engaged in the old process. (Page 10.)

. . . Coming down to our own day, I have myself had the experience of being conducted over a huge steel works in Scotland by the late Sir Charles Tennant, one of the ablest and most successful of our captains of industry, and being shown one improvement after another which had been devised and adopted expressly be-

cause the workmen engaged at the old processes had, through their powerful trade union, enforced a definite minimum standard wage. (Pages 11-12.)

The enforcement of the Common Rule on all establishments concentrates the pressure of competition on the brains of the employers, and keeps them always on the stretch. "Mankind," says Emerson, "is as lazy as it dares to be," and so long as an employer can meet the pressure of the wholesale trader, or of foreign competition by nibbling at wages, or "cribbing time," he is not likely to undertake the "intolerable toil of thought" that would be required to discover a genuine improvement in the productive process, or even, as Babbage candidly admits, to introduce improvements that have already been invented. Hence the mere existence of a legal minimum wage, by debarring the hard-pressed employer from the most obvious form of relief—one which is of no advantage to the community—positively drives him to other means of lowering the costs of production, which almost inevitably take the form of increasing productivity. (Page 12.)

The Evolution of Modern Capitalism: A Study of Machine Production. JOHN A. HOBSON. *Scribner, New York, 1913.*

There exists a large amount of testimony, both of business men and of economists, in support of the favourable effect of the higher standard of comfort enjoyed by American workmen upon the output of labour. European workmen who have gone to work in the United States commonly admit that they give out a much larger amount of working energy. How far this is susceptible of physiological explanation, the better food converted into more work, may perhaps be questioned. Probably psychical factors play at least as important a part. The recognition of a career open to every talent, or at least a fair opportunity of distinct and appreciable improvement in the standard of comfort, has been a stimulus operative among all sections of American workmen, though recent conditions of the low-skilled labour market

have diminished its effectiveness. The increase of the population of negroes and foreign immigrants, forming an unskilled class of labour kept in its place by a reduced demand for skilled labour relative to the supply, seems likely to reduce the energy of the American "stroke" to the level of the European. If, in addition to this, the real wage of unskilled labour falls, as it has in fact done since 1897, one great source of American industrial progress is perceptibly weakened. (Page 363.)

The Case for the National Minimum. Printed for the National Committee for the Prevention of Destitution. London, 1913.

The verdict of the Economists is equally clear and emphatic. "Cheap labor" they no longer regard as a blessing, but rather as a curse to an industrial community. Low wages mean low efficiency and low consuming power. The recognized economic advantages of maintaining a high standard wage are:

1. That it increases the efficiency of the workers by giving them a higher standard of living; and

2. That by preventing economies in wages it forces the competitive struggle on to a higher plane, the plane of efficiency.

. . . High wages, by leading to improved machinery and more efficient organization, are in the long run the truest form of economy. (Page 4.)

Der Mindestlohn. (*The Minimum Wage.*) D. Pesl, *Member of the Bar of the Supreme Court. Duncker & Humblot, Munich, 1914.*

In many industries, which pay high wages, the manufacturers are compelled to employ a better work system, especially better machines. They need, furthermore, specially capable workers to tend the best and finest machines and only specially capable workers are able to make such machinery. It is but natural that the employer proceeds to select better workers and then to pay, and

be able to pay, better wages, for the better product assures him not only his former profit but usually a higher one. In countries with low wages no progress is possible. Métin, during his travels in the East, frequently saw machinery standing still in the factories, because the workers did not come on time; not seldom he found defective machinery, because no native worker was able to repair it; capable and skilled workers were lacking; in Mexico the engineers complained to him that the wages of the workers were too low, and consequently there was no progress. (Page 320.)

(b) ON THE PART OF THE WORKERS.

High wages stimulate both the physical and mental efficiency of the workers. Health is improved through the better food, clothing and higher standards of living which result from increased earnings. Improved physical condition reacts favorably upon earning capacity and good-will, and leads to superior output.

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

The low weekly earnings result not only in psychological, but in physical characteristics, not only in mental inertia, but in actual physical debility. Of course, it is not possible to reduce the difference between well-nourished and ill-nourished workers to a statistical shape, or to prove by figures that high wages are the *cause* of the energy of one group, and low wages the *cause* of the lack of energy of the other. But consider for a moment these two budgets. The first is that of a cotton weaver; the second is that of a tailoring machinist.

COTTON WEAVER.*

Income.

	Total for 52 weeks			Average per week		
	£	s.	d.	£	s.	d.
Wages	75	2	0½	1	8	10¼

Expenditure.

	Total for 52 weeks			Average per week	
	£	s.	d.	s.	d.
Board and lodging	35	10	8	13	8
Extra food	0	16	5½	0	3¾
Fares (excluding holidays and picnics)	0	6	1½	0	1½
Dress	8	10	6½	3	3¼
Expenses of illness	1	16	10½	0	8½
Holidays and picnics (including fares)	5	14	4	2	2½
Amusements	1	13	2½	0	7¼
Educational, political and propagandist	1	3	10	0	5½
Books and papers	1	2	4	0	5¼
Stamps and stationery	0	4	1	0	1
Presents and collections	2	1	6½	0	9½
Trade Union	0	17	4	0	4
Miscellaneous	1	0	2½	0	4½
Total	60	17	6½	23	5

* Board of Trade's Report on Expenditure of Wage-earning Women and Girls. (Cd. 5963 of 1911, pp. 10, 15.)

TAILORING MACHINIST.

Income.

	Total for 52 weeks			Average per week	
	£	s.	d.	s.	d.
Wages	27	0	1½	10	4¾
Sick club allowance	0	7	11½	0	1¾
Co-operative dividend	0	4	0	0	1
Total	27	12	1	10	7½

Expenditure.

	Total for 52 weeks £	s.	d.	Average per week s.	d.
Board and lodging	15	0	0	5	9¼
Extra food	0	4	3	0	1
Fares (excluding holidays and picnics)	0	2	6	0	0½
Dress	5	15	1¼	2	2½
Sick insurance	1	4	6	0	5¾
Holidays and picnics (including fares)	0	4	4	0	1
Amusements	0	3	8½	0	0¾
Educational, political and propagandist					
Books and papers	0	1	5	0	0¼
Stamps and stationery	0	1	7½	0	0½
Presents and collections	1	8	4½	0	6½
Trade Union					
Miscellaneous	0	8	4¼	0	2
Total	24	14	2	9	6

The reader will realise the significance of the comparison without any lengthy comment by us. The weaver spends on board and lodging more than twice as much as the tailoress, on extra food nearly four times as much, on dress half as much again. Clearly the former has a far fuller supply of the necessaries of life than the latter. But no human being can live on necessaries alone. Expenditure on "holidays and picnics," "amusements," "books and papers" is not a luxury: it is a necessary, if by "necessary" one means an indispensable condition not of animal existence, but of an intelligent life and energetic work. And, compared with the weaver, the tailoress spends on such things next to nothing at all—1d. a week on "holidays and picnics" against the weaver's 2s. 2½d., ¾d. a week on "amusements" against the weaver's 7¾d., ¼d. instead of the weaver's 5¼d. on "books and papers," and nothing at all on a Trade Union, to which the weaver pays 4d. Is not the report from which these figures are taken only too correct, when it speaks of "the deficiency in the supply of food, clothing

and bright surroundings necessitated by low wages, and the resulting *inefficiency* of the workers?"* Is it not reasonable to conclude that the low standard of living which is alleged as the explanation of low earnings is itself often the product of the low earnings which it is used to explain, and that an increase in earnings caused by an increase in piece-rates will in turn result in greater efficiency on the part of the worker?

The Establishment of Legal Minimum Rates in the Box-making Industry under the Trade Boards Act of 1909. The Ratan Tata Foundation (University of London). M. E. BULKLEY. *With introduction by* R. H. TAWNEY. *Bell, London, 1915.*

An increased wage bill does not necessarily mean an increase in the cost of production. As was shown in the case of the tailoring industry, it may lead to economies and better methods of organisation on the part of the employer and to increased efficiency on the part of the worker. As to the latter point employers often argue that girls do not want to earn more than a certain amount. If they have a few shillings for themselves after they have paid their parents for their board and lodging (a customary payment which seems to bear little relation to the actual cost of living), they are perfectly content. In some cases this appears to be true; continued underpayment has led the girls to acquiesce in a low standard. "The girls here," said a worker in a provincial town, "are perfectly content with 13s. They practically all live at home and pay their mothers 7s. or 8s. I do not trouble to earn more than the minimum myself." On the other hand, employers have told us that the prospect of a higher wage does lead the girls to put forth greater energy. "The output per machine has increased," said one employer, "because the girls work better; there is more inducement now, owing to the increased wage." "The cost has not increased as much as we expected," said another, "those who are paid a larger wage earn it, and the output is greater." "If

* Cd. 5963 of 1911, p. 5.

the workers are paid more they respond and put forth more effort." "Low wages mean ill-nourished bodies, ill-nourished minds and an ill-nourished way of looking at things, and that reacts on the work. Higher wages certainly mean higher mental capacity, more care and intelligence." "Well-paid workers value their job; the badly-paid worker does not care." (Pages 50-51.)

The Effect of Minimum Wage Legislation Upon British Industry. B. SEEBOHM ROWNTREE, (*Director in the Firm of Rowntree & Co. Ltd., Manufacturers of Cocoa*). *Financial Review of Reviews, London, July, 1914.*

Although I am not here dealing with the wages of agricultural labourers, I may perhaps be permitted in support of this contention to point to the great difference in respect of efficiency between the ill-paid labourers of Oxfordshire or Dorsetshire and the better-paid labourers of Derbyshire and Yorkshire. A farmer who has farmed in Oxfordshire and Yorkshire, paying wages of 12s. a week in the former county and 18s. to 20s. in the latter, informed me recently that he did not think that his labour cost him any more in Yorkshire than in Oxfordshire, as the better paid men were so much more efficient. That this is not due to racial differences is proved by the fact that labourers imported into Yorkshire from Oxfordshire and paid the higher wage, after a time become as efficient as Yorkshiremen, although at first they cannot get through anything like the same amount of work. I recently came across evidence of a similar kind in Belgium, when I was investigating the very low wages which obtain there. I found that the output of work per man is low in Belgium, but that when the workers emigrate to the countries where wages are higher and the average output is greater, they very soon increase their output. Nor must the mental effect of low wages on the worker be overlooked. A man who feels he is underpaid does not work with a will. "I work all I'm paid for," was the reply recently given by a low paid worker to his foreman, who was urging him to greater activity. And this

is not merely the case among day workers, but, though perhaps less markedly, among those working on piece. The normal worker is probably like a girl in a factory in the Southwest of England, who in reply to a question said: "When we are on bad work (low piece rates) we do not trouble very much; we work hard and do not get much for it, but when some good work comes along then we wire in." (Pages 778-779.)

Another argument which is frequently advanced is that in many processes the output of work is regulated absolutely by the speed of machinery and cannot be controlled by the machine tenders. To a theorist this statement may sound conclusive, but men of practical knowledge will probably agree that the output of goods varies considerably with the vigour, alertness, and intelligence of the machine tender. An interesting illustration of this came under my own observation some years ago. In a certain room where the whole of the work was being done by machinery the workers who previously had been paid by day were put on piece work, with the result that the output of the machines increased by about 30 per cent. A few weeks after this the hours worked per week were reduced from 53 to 48. The manager of the department stated that he was sure that, in view of the large increase in output which had already been brought about, the men were getting out of the machines as much as they could produce, and that unless wages were to fall an increase in piece rate must be made. It was decided, however, to watch wages for a week or two and see whether this really was necessary. Greatly to the surprise of the departmental manager the wages earned on piece rate did not diminish at all as a result of the reduction in hours. The men were sharper at starting work when the bell rang and more alert in utilising every moment of the day, in seeing to it that machines were never running half empty, and that necessary adjustments were promptly made. Similar illustrations could be multiplied indefinitely.

We must never forget that an underfed labourer *cannot do full work*, however willing he may be. Energy is derived from food, and no more foot-pounds of it can be

got out of a man than are contained in the nutriment he consumes. This must not be understood as meaning that the worker is comparable to a machine and that the mere provision of more adequate food will automatically and necessarily result in increased output; the point I wish to emphasize here is that the provision of adequate nutriment is an essential preliminary to the exercise of full energy.* (Pages 779-780.)

Is the Minimum Wage a Menace to Industry? N. I. Stone, *Chief Statistician, Wage Scale Board of the Waist and Dress Industry of New York. The Survey, February 6, 1915.*

But not alone does the management experience the quickening effect of higher wages. Greater personal efficiency of the worker, manifested by an increased capacity for productive exertion, even without more efficient methods of production, is another inevitable consequence. The experience of the paper mill industry upon the substitution of the eight-hour for the twelve-hour labor day for its skilled workers, cited above, is but one instance of what has been practically the universal experience in industry. An increase of wages acts as an added stimulus, especially where the old wages are inadequate to furnish the worker with nourishing food, without which he lacks the necessary energy.

This is even more the case with underpaid women, who, upon returning to what they call home, after a hard day's work, usually spend hours which ought to be given to rest or recreation, in washing or mending their clothes, preparing their own dinner, and similar tasks, from which even the most poorly paid men are usually free. Add to this the inevitable worry, poor health due to lack of nourishing food, insufficient rest, and inability to give proper care to health, and you have a choice combination

* How soon increased vigour might be expected to result from improved nutrition is a question of some importance. The physiological results would follow quickly in the case of men who were not too old, but there are questions of habit and custom which have to be considered. How soon a *habit* of slow work can be changed depends on many circumstances, and largely on the inducements which are offered to the workers.

of conditions for reducing the efficiency of a woman worker to a minimum. A living wage is bound to bring about so great an improvement in their condition as to result in a marked increase of efficiency. (Page 513-14.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of John A. Ryan, Professor of Economics, St. Paul Seminary; Author of "The Living Wage."

Experience has abundantly shown that the lowest paid labor is not always the cheapest. In many occupations the laborer who receives a wage sufficient to maintain him in normal physical vigor and moral spirits is more profitable to his employer than the laborer whose meagre wages force him to do without the things that are necessary for normal efficiency. It is certain that many of the factory and department store girls who are now under-nourished and under-supplied with other necessaries of life would, if they were paid living wages, make up the difference to their employer in working efficiency. It is not maintained that all workers whose pay was raised by a minimum wage law would increase their efficiency to this extent: but some of them would, and practically all of them would add somewhat to their working out-put. Hence a great part of the higher wage outlay would be provided by the workers themselves. (Pages 638-39.)

Statement of Edward T. Devine, Director of the N. Y. School of Philanthropy; Professor of Social Economy, Columbia University.

It would, I think, often be found—and experience in England and elsewhere supports this view—that the higher wage required by a minimum wage law could be paid without actual loss to employer or consumer, the explanation of this apparent paradox being simply that the worker with better nourishment or a higher standard in other respects will do more efficient work, producing more goods or a better quality of goods for which pur-

chasers can well afford to pay the difference. It could not of course be laid down that an indefinite increase of this kind is possible, but it may well be that the entire difference between the low wages now paid in some industries and the amount which would be necessary to maintain health and decent comfort could thus be made up with actual advantage to everybody affected by the change. (Pages 697-98.)

Massachusetts and the Minimum Wage. H. La Rue Brown, *Chairman, Massachusetts Minimum Wage Commission. American Academy of Political and Social Science. Annals, Vol. 48, July, 1913.*

. . . It is first to be observed that there is nothing which makes for inefficiency like hunger, worry and discontent. As a rule you can be sure that the underpaid girl is hungry, that she is a victim of nearly continual worry, that she is overworked because she is trying to do her own cooking and washing as well as her work in the shop and that she is not getting the food and the care to keep her in condition to do good work even if her mental attitude could be such as to inspire it. No man can say how many of the girls now said to be inefficient and "not worth" the miserable wages paid would not be worth a higher wage if they were paid it. Service like many other things is apt to be worth about what it costs. If this sort of service were paid for under conditions which made for efficiency, it is very likely that the service would become efficient in proportion. (Page 18.)

Work and Wages. Sir Thomas Brassey. *Putnam, New York, 1883.*

With proper supervision, and with an equitable scheme of prices for piece work, the best paid workman does more work for a given sum of money than the underpaid and therefore underfed laborer can by any possibility accomplish. The cost of labor, rightly observes Mr. Fawcett, "is determined by the amount of work which is really done for the wages. Many of our laborers can

barely obtain the necessaries of life; and we can all appreciate the false economy that would be practiced, if a horse was so much stinted of food that he could only do half as much work as he would be able to perform if he were properly fed." (Page 74.)

Six Centuries of Work and Wages. The History of English Labor. JAMES E. THOROLD ROGERS, M. P. *Putnam, New York, 1884.*

Had economists worked out the most important part of their science, that which deals with the distribution of wealth, instead of merely busying themselves with hypothetical theories about rent, profits, and population, they would have inculcated every one of those legislative acts which have seemed to control the production and distribution of wealth, but in reality have assisted the former, and have made the latter more natural, and therefore more equitable. I think that my contention, which I see quoted by Mr. Goschen, could be exhaustively proved, that every act of the legislature which seems to interfere with the doctrine of *laissez-faire*, and has stood the test of experience, has been endorsed because it has added to the general efficiency of labour and, therefore, to the general well-being of society. (Pages 527-528.)

The Wealth of Nations. ADAM SMITH. *Edited by* EDWIN CANNON. *Putnam, New York, 1904.*

No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe and lodge the whole body of the people, should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed and lodged. (Page 80.)

The wages of labor are the encouragement of industry which, like every other human quality, improves in proportion to the encouragement it receives. A plentiful subsistence increases the bodily strength of the laborer, and the comfortable hope of bettering his condition, and of ending his days perhaps in ease and plenty,

animates him to exert that strength to the utmost. Where wages are high, accordingly, we shall always find the workman more active, diligent, and expeditious, than where they are low; in England, for example, than in Scotland; in the neighborhood of great towns, than in remote country places. (Page 83.)

Sweated Industry and the Minimum Wage. CLEMENTINA BLACK. *Duckworth & Co., London, 1907.*

The whole teaching of modern industry is that cheap labor is dear labor, and that it is as important for successful competition to have a well equipped human instrument as to have well equipped machinery. (Page XIX.)

The cotton trade has had enormous success not because labor is cheap but because labor is dear—and good; because the human machine being kept at the highest point of perfection is the most productive instrument of its kind in the world. It has succeeded, above all, because the standard wage has removed the competition of low-class, sweated labor, which is not only iniquitous in itself, but which has the effect of depreciating the whole currency of industry. (Page XX.)

Wherever sweating has been eliminated by the regulation of wages, the health of the trade is established. (Page XXI.)

. . . The facts of industrial history proclaim the truth that efficiency is not the cause but the product of fair wages, healthy surroundings and reasonable leisure. (Pages 226-227.)

. . . That nation becomes wealthiest which pays its workers best. Health, skill, intelligence: these are the true bulwarks of national prosperity; and the price of these is liberal payment for labor. (Page 269.)

The Industrial System: An Inquiry into Earned and Unearned Income. J. A. HOBSON. *Scribner, New York, 1910.*

Man is not a mere automaton who will work if food is put into him: he is a human being operated by "mo-

tives." The payment he receives for work must, therefore, suffice not only to replenish his physical output and to restore his bodily waste, it must stimulate his will. Under some conditions this "motive" does not involve any more payment than suffices for physical subsistence; a great deal of routine work of peasants and other labourers has always gone on upon a basis in which conscious motive involves no higher pay than a physical subsistence; or else, as in slave and serf labour, fear of punishment or some other sort of negative payment has furnished the conscious "stimulus". But when we come to civilised industrial communities, where the workers have some sense of personal dignity, and perhaps some alternative to wage labour, most of them will be apt to demand a rate of pay which may be termed the moral subsistence wage, that will be somewhat above the physical subsistence level. This payment, though not necessarily identical with the whole "standard of comfort", approximates to it, and at any given time must be regarded as comprising part of the wear and tear or subsistence wage. (Pages 62-63.)

If more work is to be got out of the existing supply of workers, the greater drain upon the muscular and nervous system involves a higher rate of pay, while the increase of painful effort reinforces the demand through the operation of the human will. Though fear of dismissal and other non-wage inducements may sometimes be efficacious in evoking more productive energy, it is normally the case that men will not work harder except for a higher rate. (Page 65.)

(3) Benefits to General Standards of Living.

With an increase in wages, the standard of living rises. Not only does the amount of income spent upon food increase but the standards of housing, clothing, and recreation are found to rise also.

The Labour Year Book, 1916. Co-operative Printing Society, Ltd., London.

As to the operations of the several Boards it is possible here to speak only in brief. The reader may be referred for fuller information to the series of monographs on the minimum wage edited by Mr. R. H. Tawney for the Ratan Tata Foundation, the first of which describes the complete success attained by the Board in the chainmaking industry.

The success is many-sided.

Perhaps the most interesting testimony adduced by Mr. Tawney is as to the reaction of the Trade Board on the social life of the chainmakers. In his book shopkeepers testify to the improvement in the purchasing power of the workers; teachers to the better feeding and clothing of the children; clergymen and other residents to the alteration, clearly discernible in the rising standard of manners and comfort in the locality.

The happiest outcome of all is in the heightened spirit of the district, which has found expression in an encouraging growth of Trade Unionism among men and women not only in the chainmaking trade, but in other trades adjacent to it, of which the hollowware and brick trades are the chief. (Pages 216-17.)

The Labor Movement and the Future of British Industry. The Round Table, London, June, 1916.

The British working class is divided, and somewhat sharply divided, into two sections. Out of some 15,000,000 manual workers, male and female, 4,000,000 are organised into Trade Unions, and the remaining 11,000,000 are unorganised. (Page 459.)

It is this miscellaneous, unorganised working-class

population, in town and country, both in the army and at home, which has been most affected in its ideas and demands by the war. These are the men and women who form the material of Mr. Rowntree's and Professor Bowley's appalling statistics of "primary poverty"; these are the "12,000,000 always on the verge of starvation," of whom Sir Henry Campbell-Bannerman used to remind us. The lower stratum of this section of the population presents, or presented before the war, a spectacle of helplessness and wretchedness unique in the industrial life of the modern world. They are the wreckage of five generations of the modern industrial system. (Pages 459-460.)

. . . To this section of the population the war is the beginning of a new life. It has broken the crust of immemorial custom. It has given them what they lacked before: a horizon. It has brought comparative plenty in many cases where before there was perpetual want. It has brought health where before there was perpetual lassitude. It has brought hope where before there was dull despair. For such as these there can be no relapse into the old morass. It remains for the State by deliberate action to fortify this new sense of hopefulness and self-respect. A bold extension of the Trade Boards Act to large new classes of workers both in town and country, coupled with the assertion, on Australian lines, of the principle of the living wage, would seem to be one natural way of coping with this inevitably pressing problem. (P. 461.)

A New Province for Law and Order: Industrial Peace Through Minimum Wage and Arbitration. Henry Bournes Higgins, *High Court of Australia, Melbourne.* [*President since 1907 of the Court of Conciliation and Arbitration.*] *The Harvard Law Review, November, 1915.*

The first task that I had to face was not, strictly speaking, conciliation or arbitration. The Federal Parliament imposed certain excise duties on agricultural implements manufactured, but it provided for the remis-

sion of the duties in the case of goods manufactured under conditions, as to the remuneration of labour, which the President of the Court should certify to be "fair and reasonable."* The Act gave no guidance as to the model or criterion by which fairness and reasonableness were to be determined. In dealing with the first employer who applied to me for a certificate, I came to the conclusion that the Act was designed for the benefit of employees, and that it was meant to secure for them something which they could not get by individual bargaining with their employers. If A let B have the use of his horse on the terms that B give the horse fair and reasonable treatment, B would have to give the horse proper food and water, shelter and rest. I decided therefore to adopt a standard based on "the normal needs of the average employee, regarded as a human being living in a civilized community." This was to be the primary test in ascertaining the minimum wage that would be treated as "fair and reasonable" in the case of unskilled labourers. At my suggestion, many household budgets were stated in evidence, principally by housekeeping women of the labouring class; and, after selecting such of the budgets as were suitable for working out an average, I found that in Melbourne, the city concerned, the average necessary expenditure in 1907 on rent, food and fuel, in a labourer's household of about five persons, was £1.12s. 5d. (about $7.80, taking a dollar as equivalent to 4s. 2d.); but that, as these figures did not cover light, clothes, boots, furniture, utensils, rates, life insurance, savings, accident or benefit societies, loss of employment, union pay, books and newspapers, tram or train fares, sewing machine, mangle, school requisites, amusements and holidays, liquors, tobacco, sickness or death, religion or charity, I could not certify that any wages less than 42s. per week for an unskilled labourer would be fair and reasonable. Then, in finding the wages which should be treated as fair and reasonable in the cases of the skilled employees, I relied mainly on the existing ratios found in the practice of employers. If, for instance, the sheet-iron worker

* Excise Tariff 1906.

got 8s. per day when the labourer got 6s., the sheet-iron worker should get, at the least, 9s. when the labourer's minimum was raised to 7s. (Pages 14-15.)

The principle of the living wage has been applied to women, but with a difference, as women are not usually legally responsible for the maintenance of a family. A woman's minimum is based on the average cost of her own living to one who supports herself by her own exertions. A woman or girl with a comfortable home cannot be left to underbid in wages other women or girls who are less fortunate. (Page 20.)

Yet, though the functions of the Court are definite and limited, there is opened up for idealists a very wide horizon, with perhaps, something of the glow of a sunrise. Men accept the doom, the blessing of work; they do not dispute the necessity of the struggle with Nature for existence. They are willing enough to work, but even good work does not necessarily ensure a proper human subsistence, and when they protest against this condition of things they are told that their aims are too "materialistic". Give them relief from their materialistic anxiety; give them reasonable certainty that their essential material needs will be met by honest work, and you release infinite stores of human energy for higher efforts, for nobler ideals, when "Body gets its sop, and holds its noise, and leaves soul free a little." (Page 39.)

Ex Parte McKay, 2 Commonwealth Arbitration Reports, 1, 3.

Mr. Justice Higgins:

The provision for fair and reasonable remuneration is obviously designed for the benefit of the employees in the industry; and it must be meant to secure to them something which they cannot get by the ordinary system of individual bargaining with employers. If Parliament meant that the conditions shall be such as they can get by individual bargaining—if it meant that those conditions are to be fair and reasonable, which employees will accept and employers will give, in contracts of service—

there would have been no need for this provision. The remuneration could safely have been left to the usual, but unequal, contest, the "higgling of the market" for labour, with the pressure for bread on one side, and the pressure for profits on the other. The standard of "fair and reasonable" must, therefore, be something else; and I cannot think of any other standard appropriate than the normal needs of the average employee, regarded as a human being living in a civilized community. I have invited counsel and all concerned to suggest any other standard; and they have been unable to do so. If, instead of individual bargaining, one can conceive of a collective agreement—an agreement between all the employers in a given trade on the one side, and all the employees on the other—it seems to me that the framers of the agreement would have to take, as the first and dominant factor, the cost of living as a civilized being. If A lets B have the use of his horses, on the terms that he give them fair and reasonable treatment, I have no doubt that it is B's duty to give them proper food and water, and such shelter and rest as they need; and, as wages are the means of obtaining commodities, surely the State, in stipulating for fair and reasonable remuneration for the employees, means that the wages shall be sufficient to provide these things, and clothing, and a condition of frugal comfort estimated by current human standards. This, then, is the primary test, the test which I shall apply in ascertaining the minimum wage that can be treated as "fair and reasonable" in the case of unskilled labourers. Those who have acquired a skilled handicraft have to be paid more than the unskilled labourer's minimum; and in ascertaining how much more, in the case of each of the numerous trades concerned in the factory, I have been invited to make myself expert in a large number of technical details, and familiar with the mysteries of many mechanical appliances. Fortunately, I can find guidance more satisfactory than could be afforded by mere inspection of the processes and machinery in the factory, or even by the evidence of differing experts in the several trades.

Women and the Trades. ELIZABETH B. BUTLER. *The Pittsburgh Survey. Russell Sage Foundation Publication, New York, 1909.*

Moreover, the community cannot afford to deny any of its members reasonable recreation. Industrial success is of small value, if the contributors to that success lead lives void of spiritual meaning or spiritual impression. Among those girls who have sufficient imagination to grasp what is denied them, there is sure to be reaction, perhaps ill-health, perhaps indecency, to the cost in either case of the whole community. Recreation, richness of life in leisure hours, is equally a source of decency and of health. (Pages 349-50.)

The Living Wage of Women Workers. A Study of Incomes and Expenditures of 450 Women Workers in the City of Boston. LOUISE M. BOSWORTH, *Fellow, Women's Educational and Industrial Union. Longmans, Green & Co., New York, 1911.*

The wage groups are five in number, namely: (1) $3 to $5 per week; (2) $6 to $8 per week; (3) $9 to $11 per week; (4) $12 to $14 per week; (5) $15 and over per week. . . .

The expenditures of the $9 to $11 wage group may be taken as representing the minimum living wage. This class stands midway in the wage scale and represents roughly the average of all women workers covered by the investigation. It appears, moreover, that the average income and the average expenditures of this class approximately balance each other, whereas in the two classes standing lower in the scale there is a deficit of income below expenditures, and in the two classes standing higher in the scale a surplus of income over expenditures according to the tabulated returns. This fact indicates that the income first becomes adequate to meet expenditures when this wage group is reached.

There are also other indications that the expenditures of this class represent a fair minimum standard of decency and comfort. (Page 9.)

. . . Between the $3 to $5 group and the next higher division there is a large increase in food expenditure. The difference between the $6 to $8 group and the next higher is less marked. It thus appears that the increase of income up to $8 is used to provide a better dietary. The slighter increase, both in regular board and in extra food, between this and the next higher division would seem to indicate that the most pressing needs in these directions are met at about a $9 wage. (Page 46.)

The classification of health expenditures by wage groups shows: First, a marked increase in amount up to the $9 to $12 group; second, a practically stationary expenditure for the next group, of $12 to $14 workers; and third, a great decrease for the highest group, of $15 and over. This showing indicates that insufficient wages do not permit of essential medical treatment, and that high wages tend to diminish the need of such treatment. The percentage of the income spent for the maintenance of health steadily decreases with the increase of wages, from 5.80 to 1.89, showing the gradual lessening of this burden with the expansion of earnings. (Page 77.)

The Prevention of Destitution. Sidney and Beatrice Webb. *Longmans, Green & Co., London, 1911.*

If we were suddenly, without due preparation, to raise the wages of all the sweated workers to something permitting even a minimum standard of civilized life, we should not, it is true, thereby put any new charge upon the taxpayer, but we might, in the case of many articles, raise the cost of production to the employer and the price to the consumer. But all the experience of the past, as every contractor knows, proves that a gradual and moderate increase in wages, step by step, up to the point of full subsistence, creates such a rise in productive efficiency that it actually decreases the cost of production, and lowers prices. (Page 327.)

Any net increase thus occasioned in our total collective expenditure on the poor will, we believe, be more than made good by the all-around increase in the productivity of the manual working-class that would accom-

pany their better health, their more regular conduct, their greater technical skill and the prolongation of their average working life. This is, at any rate, the counsel of the political economist, as it is that of those practical men of affairs who have watched the results of pure food, discipline and education in different countries, at different periods, on different classes and races. (Page 328.)

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1914.*

Is this considerable increase in income traceable in any improvement in the social conditions of the district? In many towns the industries are too various to allow the consequences of prosperity in any one of them to be easily distinguished. In Cradley Heath, which lives by making chains, the effect of the minimum rates is visible to the eye of sense. The Trade Board has, in fact, forced itself on the notice of classes of people other than workers and employers through the influence it has had upon the general life of the town. The first consequence of the establishment of minimum rates of payment was that the workers, having more to spend, spent more on food and clothes. According to shopkeepers, the effect of the Board of Trade's order, making the new piece rates obligatory, was to produce an immediate increase in their sales, which has continued during the subsequent period of good trade, and which has caused empty shops to be let and new shops to be opened. The second consequence was an improvement in the appearance both of the workers themselves and—a significant point—of their children. On this matter, about which no outsider can venture an opinion, the testimony of residents in the locality is decisive. "It is astonishing what a difference the rise in prices (*i. e.* piece rates) has made. The workers turn up earlier to work. They take more pride in themselves, and show more care in their work." "The appearance of the women at Trade Union meetings is different from what it was formerly." "The workers keep up a bet-

ter appearance. There is a difference in their standard of living. Trades people take more money now than they used to do before the rates came into force." "We who live among the workers see the enormous difference which the Trade Board rates have made in their clothes, appearance and cleanliness. But it will take a generation to make much improvement in the lowest class of all." "The appearance of the children at school is much better; they are better fed, better clothed and better shod. When the women get more money, you may be sure it is spent on the children." Evidence such as this from employers, trade union officials and teachers, shows that even the short time which has elapsed since the rates came into operation has been long enough to allow of a distinct rise taking place in the workers' standard of life. (Pages 99-101.)

And not only immediate expenditure but savings have increased. In the words of the superintendent of a large industrial insurance company: "In 1910 the women workers promised to pay up when the rates were fixed, and they did so. The rates have had a steadying effect on insurance, and since 1910 arrears, which are the most sensitive barometer of prosperity, have been less. Since the burden of industrial insurance falls chiefly on the women, the higher rates cannot fail to have made it easier for them." (Page 101.)

The evidence cited in the preceding sections shows that the Chain Trade Board has been successful in its primary object of raising the standard of life of the worst paid sections of workers in the chain-making industry. Their incomes have risen considerably, though they are still deplorably low, and the increase in their incomes has resulted, according to the testimony of all observers, in improved nourishment, clothing and capacity for self-protection. (Page 104.)

III. BENEFITS OF THE LEGAL MINIMUM WAGE.

(1) Relation to Profits and Commercial Prosperity.

(a) general.

The operation of the legal minimum wage has not destroyed profits nor the commercial development of the countries in which it has been established. On the contrary, the number of factories and workers and the other well-known indices of commercial prosperity have steadily mounted.

This result follows necessarily from the facts previously set forth, showing that greater efficiency on the part of both employers and employees springs from the payment of increased wages and that hence high wages accompany low cost of production.

Experience proves in both England and Australasia that while a small number of inefficient employers may suffer, who have relied for their profits upon cutting wages to the lowest possible point, the establishment of minimum rates has not injured any trade nor checked its development. In England, for instance, since minimum wages have been fixed in the tailoring trade, exports to South Africa, the largest foreign market for English clothing, have steadily increased.

For Working Women in Oregon. Caroline J. Gleason, (*Former Secretary, Industrial Welfare Commission of the State of Oregon*). *The Survey, September 9, 1916.*

One evil result prophesied of wage legislation was that it would force industry out of the state but no authentic instance of such a result has been produced. What is more, manufacturers seem to resent suggestions of this kind. E. G. Campbell, manager of Libby, McNeill

and Libby's fruit cannery in Oregon, protested to a leading paper against a news item stating that the activity of the Industrial Welfare Commission had closed that company's cannery for the 1916 season.

Further illustrations of the fact that wage legislation does not discourage industry in Oregon are available. The World Everfresh Company, with its principal plant at Ogden, Utah, published notice in March, 1916, of its intention to double the capacity of its Oregon factory. The Oregon Packing Company, a branch of the California Fruit Canners' Association, has been frequently quoted as a firm which moved from Portland, Ore., to Vancouver, Wash., in the spring of 1916 because of Oregon's wage and hour laws. That this removal could scarcely be due to the wage law would seem obvious since an evening paper on June 15, 1916, recorded the purchase by the same company of another cannery in eastern Oregon.

Perhaps one of the most interesting "removals" has been that of the Long Fruit Products Company of California, which moved to Oregon this year. Oregon was selected in spite of the fact that the company was given an opportunity to buy the cannery now owned by the Oregon Packing Company in Vancouver, Wash., a locality which has no hour regulation whatever for women workers in canneries. Furthermore the Fruit Products Company came from a state which had had no hour or wage regulation and where the hour limitations for cannery workers, which became effective in 1916, still exceed those of Oregon. (Pages 585-586.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

The tailoring industry is by far the largest single trade that has, as yet, been brought within the scope of the Trade Boards Act of 1909, and employed in 1911, in Great Britain 279,872 persons, of whom 140,919 were

men and 138,953 were women.* According to the Census of Production, the total gross value of the products usually classed as tailoring ("Men's and boys' suits or parts thereof") was in 1907 about £25,000,000; the net value (*i. e.* the value when the cost of materials and payments made to other firms for work given out to them are deducted) may possibly have been between £11,000,000 and £12,000,000.† The export trade in clothing is important, and has grown rapidly in the last fifteen years. In 1913 goods to the value of £8,645,726 were sent abroad, incomparably the largest market being South Africa, to which clothing to the value of £3,280,114 was exported‡ in that year. (Pages 1-2.)

The total number of women engaged in the tailoring trade was, in 1911, 138,953. If, as is probable, homeworkers form about the same proportion of these as they did of the workers about whom particulars were obtained by the Board of Trade in 1907, then the total number of women homeworkers in Great Britain is 14,242. This figure is, however, probably an underestimate, as a large number of the firms employing homeworkers, which are often small and unimportant, are likely to have made no return in 1907. The actual total is probably between 15,000 and 22,000. The total number of persons coming within the sphere of the Trade Board's determinations would thus be approximately 145,000. (Pages 12-13.)

But, it is often argued, if prices do not rise when a considerable advance in wages takes place, the effect must be to drive out of existence the firms on the margin which are only just paying their way. Either the articles affected will not be produced, or they will be produced in countries where low wage rates obtain, or they will be produced in this country, but by some other firm which for one reason or another can afford to pay higher wages. . . .

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* Census of England and Wales, 1911, vol. x, pt. ii, p. 6; *ibid.* of Scotland, vol. ii, pp. 290, 291.

† Census of Production (1907), pp. 415-416.

‡ Annual Statement of Foreign Trade for 1913, vol. i, pp. 266-269; *ibid.* for 1881, p. 80; *ibid.* for 1891, p. 117; *ibid.* for 1901, vol. i, p. 354. The figures for 1881, 1891 and 1901 include waterproofed apparel, as this was not separately enumerated in those years.

That a certain number of firms which have hitherto held their own by cutting wages to the lowest point possible will in time disappear is probable in itself, and is suggested by some of the evidence which has come before us. (Pages 101-102.)

Evidence such as this suggests that the advance in wages has come partly out of the profits of the firms paying the lowest rates, and that in the next depression of trade some of these struggling businesses will disappear.

Their disappearance may be regarded with sympathy for the individual, but without solicitude for the industry, for it is not upon them that its fate depends. It seems not unfair to say that the class by whom the advance in wages has been most severely felt consists neither of the efficient factory occupiers nor of the efficient master tailors, both of whom were already, in most cases, paying more than the rates fixed by the Trade Board before those rates became obligatory. It consists, in the main, of the less progressive factory occupiers and small masters, who have held their footing in the industry mainly by employing the worst-paid women workers to produce the cheapest class of goods. Deprived of that resource, the factory occupiers may bring their management into line with that of their more efficient competitors, and, as will be shown later, some of them are already doing so. Deprived of that resource, the small masters are almost helpless. (Pages 103-104.)

The small master who specializes in the intensive production that characterizes so many of the Jewish workshops will hold his own. But the small master who made a living by taking out work at low rates from the wholesaler, relying for his profit on cutting down wages, is already being thrust from his precarious niche in the industry. (Pages 104-105.)

What the experience of some firms in the tailoring industry seems to suggest is not merely that the low wages of the worst-paying districts are not a necessity, but that they are a dubious advantage to the firms paying them, and that the advance in wages brought about by the Trade Board, so far from hampering the expansion of the tailoring industy, is likely actually to benefit it.

The mere fact that, without (as has been shown) any other special advantages, the districts in which wages are highest have secured in the last twenty years at least their share of the industry, suggests that high wages are at any rate compatible with its prosperity. The following figures show the percentual increase in the number of persons engaged in the tailoring trade as a whole, which took place in different areas between 1891 and 1911:*

TABLE X.

Town.	Average earnings for full time in 1906.†		1891.	1901.	Increase per cent. 1901. over 1891.	1911.	Increase per cent. 1911 over 1901.	Increase per cent. 1911 over 1891.
Bristol—	s.	d.						
Men	34	9	1,339	1,709	27.6	1,898	11.05	41.7
Women	11	10	3,437	4,863	41.3	5,032	3.4	46.4
Essex—								
Men	28	0	1,709	2,318	35.6	2,363	1.9	38.2
Women	12	8	3,463	4,366	26.07	3,598	17.5	3.8
Leeds—								
Men	31	11	4,773	5,792	21.3	7,625	31.6	59.7
Women	13	8	10,916	14,021	28.4	15,917	13.5	45.8
London—								
Men	36	2	27,474	31,389	14.2	33,275	6.0	21.1
Women	11	11	24,872	33,114	33.1	31,718	4.	27.5
Manchester—								
Men	33	11	3,611	4,091	13.2	4,356	6.4	20.6
Women	13	7	3,736	5,507	47.4	5,905	7.2	58.1
Norwich—								
Men	28	4	675	645	4.4	660	2.3	2.2
Women	10	9	1,431	1,635	14.3	1,292	20.9	9.7

It will be seen that the growth of the industry has taken place at least as rapidly in districts where wages are relatively high as in those where wages are relatively low. (Pages 116-117-118.)

The opinion that the firms paying higher wages than their competitors are, at any rate, not severely hampered

* Census of England and Wales, 1891, 1901 and 1911.

† Report on Earnings and Hours of Labor in 1906, Cd. 4844 of 1909, pp. 102-109.

by this policy, may be thought to be an amiable, but academic, theory. Lest, therefore, it should appear presumptuous for a person unconnected with the industry to put forward such a conclusion, one may add that it is suggested by the comments of some employers. Their remarks must not, of course, be strained too far. They are merely *obiter dicta* by persons of wide practical experience. As such, however, they are perhaps worth quoting, as showing a standpoint which does not always find in economic discussions an expression proportionate to its importance. "Recently," said a manufacturer of slop cottons, who sells them both abroad and to English firms making both slop cottons and ordinary clothing, "I attended a meeting of the Employers' Association. Some of the manufacturers present had been objecting to the suggestion that the Trade Board should fix a minimum rate of more than 2¾d. for women workers. The women I employ earn between 4½d and 7d. per hour; . . . The employers who objected to a minimum rate of more than 2¾d. were my own customers and competitors, men who found it cheaper to buy goods from me than to make them themselves." "Badly paid labour," said an employer, "is the dearest you can employ. We have captured the juvenile clothing trade, the men's stock trade, the men's measure trade, and the men's overcoat trade. We must have the best labour in the market, and to get it we must pay the best price." "It is the Leeds finish," said another, "which gets us the trade. We can't get the finish without skilled workers, and to get skilled workers we must pay them properly." (Pages 118-119-120.)

The Establishment of Legal Minimum Rates in the Box-making Industry under the Trade Boards Act of 1909. The Ratan Tata Foundation, (University of London). M. E. Bulkley. *With Introduction by* R. H. Tawney. *Bell, London, 1915.*

When the minimum rates were proposed, fear was expressed that the small employer would be "squeezed

out." In the boxmaking industry a large proportion of the employers are men with a small capital.* . . . It would appear that in certain instances the Trade Boards Act is undoubtedly pressing hardly on the small employer, and we have heard indirectly of a few cases where a firm has given up business altogether. On the other hand, it must be remembered that small firms would in any case be springing up and disappearing independently of Trade Board legislation. A considerable number of small employers are men who have been foremen and think that they see a chance—which is not always realized—of succeeding "on their own." So far, at any rate, the effect of the establishment of minimum rates would not seem to be serious. (Page 48.)

The Effect of Minimum Wage Legislation upon British Industry. B. SEEBOHM ROWNTREE, (*Director in the Firm of Rowntree and Co. Ltd., Manufacturers of Cocoa*). *Financial Review of Reviews, London, July, 1914.*

Regarding industry as a whole, I am inclined to believe that the raising of wages to the efficiency level would not increase the cost of production in the long run, although it might do so temporarily, until the economies I have suggested above and the increased efficiency of workers began to make themselves felt. No doubt certain ill-equipped factories working with inadequate capital, or controlled by inefficient men, or by men too old to adapt themselves to new conditions, would suffer. In all industries there are some employers of less than average capacity, who can only just manage to keep going. They cannot face any contingency which demands a higher order of organising ability, and a few of them might go under. But from the standpoint of British in-

* Out of 281 employers in London, 55 were, in September, 1913, employing less than 10 boxmakers (including outworkers), and 70 between 10 and 20; 23 of these firms (or possibly a few more) were, however, non-competitive firms, whose boxmaking department was subsidiary to the production of other goods.

dustry as a whole, their number is insignificant, and the work which they are at present doing would be transferred to more capable employers. (Page 782.)

More important from the national standpoint than the regrettable misfortune of a very small proportion of employers, is the question whether there are whole industries which would be wiped out if the employers were obliged to pay their workers a living wage.

If there are any such industries they would be those in which

(1) the margin of profit is very low;

(2) the increase in the workers' output which would result from higher wages would not be proportionate to the increase in wages, notwithstanding all the employer's efforts to improve organisation and supply the best possible appliances;

(3) the market conditions are such that prices cannot be raised.

This means there would be trades in which the workers even when working under the most favourable conditions cannot possibly earn a living wage. The question whether such trades or sections of trades are worth preserving I will not here enter upon, but the conditions postulated are such as to make it evident that the number of trades in this parlous condition is probably insignificant.

The Trade Boards Act was originally passed to fix minimum wages in trades where a considerable number of the workers were paid exceptionally low wages, and it is perhaps reasonable, therefore, to deduce from this that they are, speaking generally, trades large branches of which, at any rate, are being conducted on a narrow margin of profit, for very low wages usually indicate a trade in which profits are not high. We may therefore fairly argue that since the trades already scheduled have not been wiped out of existence, we need not contemplate

any such consequences from an extension of the number of trades scheduled.

The time which has elapsed since legally fixed minimum wages came into operation has not been long enough nor the collection of statistics sufficiently detailed to enable us to measure exactly how individual employers have been affected, but there appears to be no evidence that any trade as a whole has been seriously injured or seriously checked in its development. Therefore the fear that *whole trades* might, as a consequence of the establishment of an efficiency wage, be wiped out of existence need not be entertained. (Page 783.)

Massachusetts Minimum Wage Commission. Bulletin No. 7, September, 1915. The Effect of the Minimum Wage Decree on the Brush Industry in Massachusetts.

The rates prescribed have now been in force more than a year, and the effect of the increases on the brush industry is a matter which has been variously interpreted by manufacturers, by employees and by the public. The Commission has made two reinspections of the brush factories,—one in November and December, 1914, for the purpose of locating whatever instances of failure or refusal to follow the rulings might exist, and the second in June and July, 1915, for the purpose of ascertaining the effects of the rates upon the industry as well as to record violations. The Commission is therefore in a position to report the degree of compliance with the decree of Aug. 15, 1914, and the effect of the rates upon the industry, in so far as it has been able to determine that effect. (Page 4.)

This remarkable increase in wages must be considered in connection with the course of the industry during the same period. The comments made by employers of women in the brush industry have differed widely in their bearing. In common with the previous inspections, the inspection of 1915 brought out a strong protest against prison-made brushes. One firm claimed that

on the cheaper grades of brushes the minimum wage requirements were only a secondary consideration, that of first importance being the prison competition. Another firm employing large numbers of persons has claimed, on the contrary, that the minimum wage requirements have been of great detriment to its business, causing it to refuse large orders and discharge many of its low-paid women employees. This establishment has, however, conformed to the decree in every respect.

Other employers brought out the failure of the European bristle supply during the war, a consequent cutting short of work, and the necessity of buying bristles in the Orient. Certain manufacturers stated that no effects whatsoever had been felt from the operation of the minimum wage law; others mentioned the dullness of business, but ascribed it to other causes. One employer spoke of the necessity of discharging a number of setters who were not able to earn the specified rates, and the discontinuance of that particular line of work; the employer referred to was, however, employing the same number of women in his factory as before the decree went into effect. Another employer, who stated the difficulty to be the problem of finding girls skilled enough to earn the high rates, was employing more women in his factory than before the rates went into effect.

In attempting to ascertain the effect of the establishment of minimum wage rates upon any industry two questions should be taken into consideration: (1) what are the surest indices of the prosperity of the business; and (2) are the effects indicated, whether showing prosperity or depression for the industry, the results of the operation of minimum wage determinations or of other factors in the industrial situation? The latter is of especial importance in a year like the present, when common opinion attributes to the European war the depression and unemployment in certain industries and the apparently abnormal expansion in others.

The value of the output and the number of employees are two of the indices of business conditions which operate with comparative quickness in showing changes in

the industry, and are more significant in reflecting temporary fluctuations than the value of stock, rate of dividend or grade of credit.

Statistics of Manufactures for the year 1913 contains the latest information published by the Massachusetts Bureau of Statistics concerning the value of the product, the value of the stock and materials used and similar items. Through the courtesy of the Director of the Bureau, however, advance information on the statistics of the industry for 1914 has been placed in the hands of the Commission, and a comparison of the status of the brush industry in 1913 and in 1914, after the application of the decree, is therefore afforded.

	1913	1914
Number of establishments	27	30
Capital invested	$2,771,038	$3,286,997
Value of stock and materials used	2,059,146	2,232,684
Value of product	3,740,615	3,914,029

(Pages 10-11.)

The allegation has sometimes been made that the comparatively slow growth of the industry has been due to the effects of the establishment of minimum wages. Whether or not the output could have been larger or the numbers employed greater, in view of the conflict in Europe, is the crux of the situation. The conclusions previously quoted from the reports of the Bureau of Statistics show industrial maladjustment to be general throughout the State. Nevertheless, the compliance of practically every employer with the decree and the large increases in the wages of female employees bear witness to the fundamentally healthy conditions of this industry. (Page 13.)

*Fourth Report of the New York State Factory Investigating Commission. Vol. IV. Appendix VIII. 1915. Minimum Wage Legislation in Australasia. Chap. I. Victoria.**

On the initiation of determinations, especially during the early years of the board system, there were many prophecies made predicting the destruction of business. For a time it seemed that some of these fears might not be far wrong. As has been seen, the outlook in some trades, such as the boot industry, was far from bright.

Experience has proved most of the early predictions to be false, although there are some instances of unfavorable effects on industry. Complaints have repeatedly been made regarding the position of the plate glass trade. In 1903 manufacturers complained that profits were so small that a living could scarcely be made. This was due in the main, however, to the imposition of a tariff duty on raw material and a very low duty on the finished product,† which even a brisk trade has but partially overcome. The saddlery industry has been subject to another well known handicap, the competition of neighboring states.‡ It is now possible to adjust differences under the Commonwealth Act but considerable delay is likely to be involved. Still another factor in conjunction with a wage determination drove many of the small butchers out of business in 1902. The extraordinarily high price of meat in a year of drought proved too much for some employers who were forced to close shop permanently, or to suspend business until better times ensued. Mention may also be made of a cigar manufacturer who moved his factory to Adelaide. One clear cut instance of an employer revolting at a wage

* For earlier studies embodying similar conclusions after shorter experience see A Country Without Strikes. Henry D. Lloyd. Doubleday, Page & Co., 1900. Pages 11-12.

The Minimum Wage in Great Britain and Australia. M. B. Hammond. American Academy of Political and Social Science. Annals, July, 1913. Page 32.

The Living Wage. Philip Snowden, M. P. Hodder & Stoughton, London, 1913. Pages 115-116.

† Victoria, Report of the Chief Inspector of Factories, 1903, p. 22.

‡ *Ibid.*, 1902, p. 28.

determination, is cited by Prof. Hammond. A brush manufacturer from England came to Victoria to establish a business. He was so enraged by the idea of wages regulated by law that he moved his factory to Tasmania. Another brush maker with a belief in female as opposed to male labor moved a part of his works to a neighboring state. But such instances are the exception rather than the rule.

It is evident from what has already been said that employers have seldom been forced to the wall and then under exceptional circumstances not caused by the fixation of wages. What now have been some of the positive facts in regard to this question? As a whole the recent history of Victoria has been marked by a steady growth in manufactures. In 1896, when the Factories Act creating the wages board system was passed, there were in the state 3,370 factories. In 1913 there were 8,089. In 1896 the number of factory workers was 40,814; in 1913 this number had grown to 110,487.* During this same period both the output of the factories and labor's reward have greatly increased. Not only that, but the board system has been constantly extended until it is now applicable to 141 trades affecting nearly 150,000 employees engaged in almost every kind of work. The constant extension of the wages board principle, frequently at the request of employers, speaks for itself. In answer to the question, has industry been driven from the state, we must reply that it has not. Neither has it been paralyzed, but under the wages board system there has been a steady consistent growth in the forces of production. (Pages 1924-1926.)

Since 1896 wages have risen from 12 to 35 per cent. The hours of labor have been reduced, the working week now generally consisting of forty-eight hours. In 1900 the value of the total output of the factories of the state was £19,478,000. In 1912 this value was expressed at £45,410,773. Meanwhile the revenue of Victoria has risen from £6,458,000 in 1896 to £10,009,000. There has

* According to the Factory Department. Different figures are given by the Government Statistician—see *infra.*, p. 692.

been little variation in interest rates, bank depositors being paid from three to four per cent., and discount rates on local bills ranging from four to six per cent. However, bank deposits have grown from £31,217,000 to £47,258,000 during this period, and Victoria has a greater number of depositors in proportion to her population than any other state in the Commonwealth. State railway receipts have increased from £2,400,000 to over £5,233,000. The inhabitants of the state now number more than 1,375,000, and there are over 11,000 marriages per year as contrasted with 7,625 in 1896.* These facts all point to the conclusion that commercially and otherwise the state has highly prospered. Whatever explanation is offered for this era of progress, it cannot be said that minimum wage legislation has arrested the development of Victoria. (Pages 1928-1929.)

Chapter II. New Zealand.

In 1901 the Labor Department reported an increase of business throughout the whole community, mentioning especially the building trades, foundries and engineering shops, clothing and woolen factories, and tanneries and fellmongeries. In the same year Judge Backhouse of New South Wales declared after making his official investigation, "That possibly, with one exception, industries have not been hampered by the provisions of the Act." No evidence was found that the investment of capital had been discouraged, although assertions to that effect were made regarding three large companies. He found the clothing trade to be in a high state of activity and it was his opinion that the coal mining industry had derived a positive advantage from the Act.† (Page 2022.)

Another and a better evidence of industrial development is to be found in a comparison of the statistics of factories and workshops, now, and before the arbitration laws took effect. . . .

* Statistics from the Victorian Year Book, 1912-13, p. 795 ff.

† New South Wales, Report of the R. C. on Compulsory Conciliation and Arbitration Laws, 1901, p. 16.

Relation to Profits.—Australasia

* Statistics of Manufacturing Industries.

	1891	1896	1901	1906	1911†
Establishments	2,254	2,459	3,163	3,495	3,519
Hands employed	25,633	27,389	41,726	49,806	45,963
Wages paid	£1,808,640	1,907,592	3,098,561	4,103,536	4,705,305
Total capital	£5,261,826	5,796,017	7,959,631	11,814,013	14,430,355
Value of product....	£8,773,837	9,549,360	17,141.149	22,422,726	29,534,642

* Statistics of the Dominion of New Zealand, Part VI.

† The figures for certain industries not included in the statistics for the four previous years are deducted from these returns so as to make the table comparable throughout.

It will be seen that according to the above returns the number of factories and employees has almost doubled since 1891. During the same period the amount of wages paid, the total capital involved, and the total yearly output have nearly trebled in value. From 1896 when the arbitration plan was fairly launched, to 1911, the average wage per worker rose from £69 to £102 per year, an increase of 46.9 per cent. Simultaneously the value of the average annual product per operative increased from £348 to £638, a gain of 80.3 per cent., while the average capital employed per worker mounted from £211 in 1896 to £313 in 1911 or 48.3 per cent. It is true that these figures indicate nothing as to the relative profits drawn by master and servant from the operations of industry, but they fairly suggest that the employers of New Zealand have not been overcome by unfavorable economic conditions. After making full allowance for the national prosperity of the period . . . it remains clearly demonstrated that industry has not been strangled by legislation. Rather there has been a consistent trend of upward progress, which by its permanence has tended to encourage the undertakings of capital. (Pages 2024-2026.)

Chapter III. New South Wales.

While the awards of the wages boards have raised wages and abolished sweating, business has prospered, wealth has accumulated and industry is now seeking ex-

pansion. The regulation of wages has not caused industrial retrogression. (Page 2107.)

Chapter IV. Wage Legislation in Western Australia, South Australia, Queensland and Tasmania.

Since the initiation of wage legislation in South Australia, business has flourished and wealth has increased. Practically every line of industry has shared to some extent in the general expansion. The value of the gross annual factory output increased over three million pounds from 1907 to 1911. During the same time there was an increase of 228 factories and over 5,000 workers. Although figures are not the most accurate measure of industrial conditions, the following table is illustrative of the trend in this respect:

MANUFACTURES IN SOUTH AUSTRALIA.*

	1904	1907	1911	Increase per cent. 1907-11
Number of establishment....	853	1,086	1,314	20.9
Persons employed	17,691	22,701	27,907	22.9
Males	13,930	18,423	22,651	22.9
Females	3,761	4,278	5,256	22.8
Plant and machinery.....		£1,873,061	£2,506,000	33.7
Total wages paid.....		£1,734,394	£2,645,386	52.5
Average annual earnings per worker		£80	†£99	24.4
Value of output.....		£9,436,723	£12,580,851	33.3
Population	359,368	373,663	418,172	11.9

* Complete figure £99.55.

† Figures taken from the Statistical Register, Part III, p. 163, and Part I, p. 5.

The improvement of trade conditions has been quite consistent upon the whole. In 1908 Mr. Aves remarked upon the evident prosperity of the country and the general shortage of labor. During the following years there has been no lessening of commercial activity. The Chief Factory Inspector reported in 1911 that the year had been a most prosperous one from all points of view. . . .

From 1902 to 1912, the number of savings bank de-

positors increased from 137,147 to 222,988.* Mining has declined in importance to some extent, there being fewer men employed now than in 1901. About 6,000 men were so engaged in 1911, but taking industry in the large, there has been no cause for complaint. The following quotation from an editorial taken from The Register, January 18, 1909, is interesting: "Primary production was never on a better footing; secondary industries have never been plied on a sounder basis; population has swollen; land is in demand; buildings are going up in all directions; employment is good; and deposits are accumulating in the various banking institutions. There is a general air of contentment. South Australia is passing through an era of great productiveness, and stability is reflected on all sides."† It is not claimed that industrial legislation has been the cause of commercial expansion in this state, but neither can it be asserted that legal restraint has stagnated and smothered industrial enterprise. (Pages 2182-2183.)

Chapter VI. Summary and Conclusions.

No industry has been driven from any state, and only in exceptional instances has the location of the individual factories been changed because of wage regulation. In South Australia, Queensland and the Commonwealth as a whole, industry has generally prospered. There is no evidence to show that the investment of capital in manufacturing enterprise has been checked. But it should ever be remembered that both Australia and New Zealand are largely self contained. The manufactured products of each state are in the main consumed at home. Were the tariff barriers removed and the competition of the outside world encountered, there might be a different story. Nevertheless, periods of depression have not been unknown and the principle of a legal minimum wage has survived. Taking conditions as they are, it cannot be said that wage legislation has tended to destroy industry. (Pages 2247-2248.)

* Official Year Book of the Commonwealth of Australia, 1911, p. 855.
† Department of Intelligence, Bulletin No. 6, p. 13.

The Labour Movement in Australia. A Study of Social Democracy. Victor S. Clark, Ph.D. *Archibald Constable & Co., London, 1907.*

The impression the country makes upon a visitor is not that of a land where industry is paralyzed and business stagnated, but rather the reverse. Permanent and costly buildings are being erected in the larger cities, public improvements are going forward, the wharves are crowded with shipping, the railway service is fully occupied. . . . There are few evidences of excessive unemployment. To a person studying in Australia, the economic argument that a country will be industrially ruined by state regulation is not convincingly demonstrated. (Page 219.)

Third Report of the New York State Factory Investigating Commission, 1914. Appendix III. Minimum Wage Legislation.

The following list of questions concerning the operation of the minimum wage law in Victoria was sent by the New York Factory Investigating Commission to the office of the Chief Factory Inspector at Melbourne: . . .

Third. "Do such laws tend to drive industry from the state?"

. . . In response the following statement was received: . . .

There is no evidence to show that our labor legislation has driven any industry from the state, nor from Victoria to any other part of the commonwealth. As a matter of fact, labor laws are in operation all over the commonwealth, so that, if our legislation had any such effect, the industry would have been driven to other countries. There has been an increasing amount of imports in the last few years, but I think I can safely say that the evidence tends to the belief that that is caused more by our general prosperity than any other factor. Side by side with the increasing proportional imports has been a great increase in production and in the number of factories established. (Pages 228-229.)

The following list of questions concerning the operation of the minimum wage law in England was sent by the New York Factory Investigating Commission to the office of the Board of Trade at London: . . .

Third. "Do such laws tend to drive industry from the state?"

. . . In response the following statement was received: . . .

"(3) The board are not aware of any tendency on the part of manufacturers to transfer their business to foreign countries, or, in cases where lower minimum rates have been fixed for Ireland than for Great Britain, to transfer their business from Great Britain to Ireland." (Pages 243-244.)

Report of Chief Inspector of Factories of Victoria, 1901.

State of Trade.

These figures clearly indicate the steady increase of the manufacturing trade of the State. Since 1896 increased employment has been shown year by year, as a rule of some thousands, but in 1898 of only a few hundreds. There are now over 9,000 more persons employed in factories than there were during the height of the land boom.

The year has been an important one, owing to a large number of trades having been brought under the Act. The statements generally made that the application of the Act would result in the closing of many places of business have not been borne out by actual experience. It is true that many businesses have changed hands, and that some have been closed and not re-opened, but this is a natural result, not of the application of the special boards' determinations, but due rather to various causes to which trade generally is subject.

In all centres of population a certain percentage of businesses close each year, and to attribute such closing to the application of the Act is unjust. (Page 8.)

It will be seen that the minimums fixed by this Board are low as compared with other Boards, yet for some

months a determined effort has been made by a small section of the trade to convince the public that the jam trade would be ruined and the price of fruit greatly lowered in consequence of the Board system having been applied to the trade.

I have the assurance of employers engaged in trade that there is no foundation for such statements, and that the price of fruit has not been in the slightest affected by the determination. (Page 27.)

Report of Chief Inspector of Factories of Victoria, 1909.

Boot Trade.

The minimum wage for adult males in this trade has been raised gradually during the past ten years from 36s per week of 48 hours to 48s per week. This is, indeed, a striking instance of improvement in a trade and in the position of the workers. The leading manufacturers declared, in 1897, that the trade would be seriously injured if the minimum was fixed at 45s, and satisfied the Department that such was the case, yet by 1908 the minimum wage is raised to 48s without objection on the part of employers. (Page 23.)

Journal of the Legislative Council, New South Wales. Vol. LXIII. Part II. 1901. Report of the Royal Commission of Inquiry Into the Working of Compulsory Conciliation and Arbitration Laws. Judge A. P. Backhouse.

Generally, I should say that my investigations showed that, with possibly one exception, industries have not been hampered by the provisions of the Act. To attempt to decide whether capital under other conditions would have been invested in particular industries is to undertake a task which has merely to be mentioned to show its impossibility. No doubt general statements were made that this abstention had been practiced, but I found it more than difficult to get specific instances. Any cases which

were mentioned, on investigation hardly bore out the view put forward. For instance, I was told of the delay in the building of a shirt factory at Auckland; but the factory is now up and in full working order, and it was one of my pleasantest official sights, when going over it, to see the large number of healthy girls working under conditions which seemed almost perfect. (Page 762. 15.)

Mr. Wiseman, saddler, of Auckland, it was said, had largely contracted his business after an award. The facts found to be these: When the award affecting his business was made, he discharged twenty (20) hands, as he considered they were not able to earn the wage fixed; one was subsequently taken back, and now about as many hands are employed as were engaged before the decision of the court. I presume New Zealand, notwithstanding its prosperity for some time, has had its profitless speculations, notably among the companies which were floated in such large numbers to dredge for gold—many of which have returned very little, and give prospect of returning less—but I was not able to fix any venture the starting of which the Act prevented, or the continuation of which it stopped. (Page 762.)

New South Wales. Parliamentary Papers. Vol. II. 1911-12. Interim Report of the Royal Commission of Inquiry Into the Alleged Shortage of Labour in the State of New South Wales. 1911.

	1900	1910	Increase Per Cent.
Population	1,364,590	1,690,316	23
Value of Agricultural Products	£ 5,609,437	£ 10,908,320	94
Value of Wool Produced	7,676,800	13,128,000	71
Saving Bank Accounts	10,901,382	22,013,104	101
Bank Deposits	33,118,860	50,018,885	51
Foreign Exports	11,710,755	27,677,088	136

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Victorian Year-Book, Melbourne, 1911-12.

Statistical Summary for Victoria. Population and Vital Statistics. (Condensed.)

Year	Population Persons	State Finance General Revenues	Banks of Issue Deposits	Savings Banks No. of Depositors	Savings Banks Amount of Balances	State Railways Total Receipts	Manufactories (exclusive of Quarries) Value of Output
		£	£		£	£	£
1897	1,182,710	6,630,217	30,209,638	353,963	7,781,048	2,615,935	
1898	1,183,060	6,898,240	28,027,140	338,149	8,096,874	2,608,896	
1899	1,189,470	7,389,444	30,050,429	356,074	8,517,006	2,873,729	
1900	1,197,206	7,453,355	30,638,285	375,070	9,110,793	3,025,162	19,478,780
1901	1,212,613	7,712,099	30,618,062	393,026	9,662,006	3,337,797	
1902	1,215,840	6,997,792	30,960,224	410,126	10,131,604	3,367,843	
1903	1,215,202	6,954,619	30,429,303	418,511	10,341,857	3,046,858	
1904	1,218,608	7,319,949	31,674,797	432,867	10,582,808	3,438,141	23,126,180
1905	1,228,985	7,515,742	35,123,896	447,382	10,896,741	3,582,266	25,200,648
1906	1,244,474	7,811,475	37,623,820	466,752	11,764,179	3,789,068	28,102,480
1907	1,260,468	8,345,534	38,247,289	491,318	12,792,590	4,022,231	30,399,945
1908	1,271,097	8,314,480	36,634,993	511,581	13,428,676	3,833,742	30,787,760
1909	1,291,019	8,247,684	39,660,726	532,425	14,101,710	4,189,065	32,898,235
1910	1,308,111	8,597,992	43,188,975	560,515	15,417,887	4,455,748	36,660,854
1911	1,337,678	9,204,503	47,485,600	595,424	17,274,423	4,909,062	41,747,863

(Pages 794-816.)

Report of the Chief Inspector of Factories and Shops of Victoria, 1913.

State of Trade.

The following figures show the number of factories and the workers therein since the Factories and Shops Act, 1885, came into force:

No. of Factories	Persons Employed	Year Registered
1,949	39,506	1886
2,182	41,083	1887
2,383	43,288	1888
2,522	47,223	1889
2,507	47,813	1890
2,548	46,649	1891
2,443	40,319	1892
2,243	35,263	1893
2,515	34,268	1894
2,573	36,027	1895
3,370	40,814	1896
3,739	45,178	1897
3,777	45,844	1898
3,895	49,546	1899
4,050	52,898	1900
4,238	56,945	1901
4,252	59,440	1902
4,325	57,767	1903
4,436	60,977	1904
4,623	63,270	1905
4,766	67,545	1906
5,003	71,968	1907
5,143	76,210	1908
5,248	79,348	1909
5,362	83,053	1910
5,638	88,694	1911
7,750	104,746	1912

(Page 5.)

British Sessional Papers. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. Ernest Aves.

It is noteworthy that in reply to the general question as to whether there was personal knowledge of any cases —employers or employed—of those who have been driven out of the trade by the Wages Boards' determinations that, without any restriction as to period, or limitation either to any particular class of person or cause of displacement, 49 out of 82 are able to reply in the negative; and it is still more significant, partly of the great prosperity of the time, and partly of belief in the Special Boards system, that 21 out of 25 of those representing the employees give this answer.

As regards employers very few instances either of migration or of failure and retirement reached me. (Page 61.)

Little or nothing is now heard, however, of the risk which the Boards may involve to the development of the State's industries, but the view is by no means unrepresented that this development would have been greater under a freer system. The assertion, however, like its denial, cannot be proved to be false. Those who hold the opinion hold it, it may be noted, less strongly now than formerly in its connection with the other States of the Commonwealth, owing to the tendency for similar legislation to become more general throughout the Commonwealth. (Page 61.)

Women in Industry. Chapter 2. The Minimum Wage. Constance Smith. *Duckworth & Co., London, 1908.*

The principle of the minimum rate is no new principle in this country. In all government works fixed minimum rates exist for the different classes of labor employed. The great organized trades have, by means of collective bargaining, succeeded in fixing such rates for

themselves. There is such a rate in the mining industry, in the engineering industry, and in the cotton trade. Other trades, less completely organized than these, have succeeded in setting up similar standards by means of arbitration under the Board of Trade, when the arbitrator has fixed piecework rates—even for so complicated an industry, subject to constant change and dependent on the demands of fashion, as the Nottingham lace trade, with conspicuous success both as regards the maintenance of peace, the prosperity of the industry, and the satisfaction of the workers. (Page 44.)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *Journal of Political Economy, University of Chicago Press, December, 1912.*

It is difficult to believe that the enforcement of a legal minimum wage in all these hundred different industries employing 110,000 persons (being with their families more than a quarter of the entire population of the State), has interfered with the profitableness of industry, when the number of factories has increased, in the sixteen years, by no less than 60 per cent., and the number of workers in them have more than doubled. Certainly, no statesman, no economist, no political party nor any responsible newspaper of Victoria, however much a critic of details, ever dreams now of undoing the minimum wage law itself. (Pages 5-6.)

Hansard's Parliamentary Debates. Vol. 34. 1912.

Mr. G. Roberts, Member for Norwich:

The question of a minimum wage is not a new one, because the principle has been accepted by this House in the Trade Boards Act. Although that Act has been in operation some time, and has effected quite enormous increases in wages, I have yet to learn that it has resulted in the destruction of the industries to which it has been applied. On the contrary, I am informed that those particular trades and industries affected by this measure

are still in a state of prosperity, and all this goes to prove full well that those industries throughout might have borne a living wage. We believe that a living wage will never be established except by the intervention of this House. That principle has been applied in many other forms of industry, in fact, wherever organized labour is strong enough the principle is invariably accepted. Many of my colleagues, as well as myself, have constantly been engaged in negotiating this principle of a minimum wage, and we find that invariably it is alleged that it is impossible for the industry to stand it; and yet, when we have succeeded in imposing this principle, we find that the particular industry affected still prospered, and that, after all, that particular industry invariably is the better for it. (Pages 135-136.)

(b) THE EFFECT ON EXPORT TRADE.

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

We need not raise the larger question of the social advantages of an industry which *cannot* pay the low minimum rates fixed by the Tailoring Trade Board, because the evidence suggests that the tailoring industry can. About the future no one can dogmatise, but of the present and immediate past the statements so freely made as to the Trade Board already causing the cheapest section of the tailoring industry to be transferred to foreign countries appear to be incorrect. The figures published by the Board of Trade do not seem to lend much support to the theory that there is increasing competition in English markets, or that English exports of clothing to foreign markets are falling off; though, no doubt, that is not inconsistent with the view that particular lines or particular districts have suffered. The value of the clothing exported to foreign markets in the fourteen months succeeding the date at which the minimum rates were made obligatory was higher than in any previous fourteen months in its history. An interesting case is that of South Africa, which is by far the largest foreign market for English clothing, to which the cheapest and worst qualities of goods are exported, and of the effect upon which of the minimum rates the gloomiest anticipations were entertained. The exports to the South African market of non-waterproofed clothing were £3,167,346 in 1911, £3,204,587 in 1912, £3,280,114 in 1913, and in January, 1914, £280,254 as against £272,855 in January, 1913, and £254,375 in January, 1912. "The Act," said the head of the chief exporting firm in one of the largest centres of the tailoring industry about six months after the rates had become obligatory, a firm which sends seven-eighths of its goods to foreign markets, and a large proportion to South Africa, "has not prejudiced English manufacturers at all. We thought its effect would be to enable us to cut out more successfully than at present the makers of sweated clothing, and

to bring us back the cheap trouser trade. My partner has just come back from South Africa, and he took care to find out the prices of the East End clothiers who compete with us. They have not put up their prices, and they are selling as much as before." "He confirmed," stated a leading trade paper, in reporting the speech of a large manufacturer, "what we have already held to be the case, namely, that no decent firm would suffer by the Act." Right in their statements of fact, the firms which complain that they have lost business would seem to be wrong in thinking that this means that the trade is being ruined. All that has happened is that orders have passed from them to those of their English competitors who, for one reason or another, are in a position to pay better wages. (Pages 105-106-107.)

The Establishment of Legal Minimum Rates in the Box-Making Industry under the Trade Boards Act of 1909. The Ratan Tata Foundation, (University of London). M. E. BULKLEY. *With Introduction by* R. H. TAWNEY. *Bell, London, 1915.*

. . . The imports of cardboard and chip boxes for the three years 1911-13 were as follows:*

	Imports, less Re-exports, of Boxes and Cartons of Paper or Cardboard.		Imports† of Chip Boxes.	
	cwts.	£	cwts.	£
1911	7,888	25,488	30,110	27,410
1912	8,046	24,818	45,156	40,667
1913	8,253	25,078	50,389	44,097

During the same years the exports of cardboard and paper boxes† manufactured in the United Kingdom were 34,530 cwt. 45,962 cwt. and 47,732 cwt. respectively (in value £63,419, £83,609 and £83,345).‡ The exports have therefore increased at a much greater rate than the imports. (Page 50.)

* Annual Statement of Foreign Trade for 1913, pp. 177, 208, 599. Boxes were not separately enumerated before 1911.

† The re-exports of foreign-made and the exports of British made chip boxes were negligible.

‡ *Ibid.*, p. 445.

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chap. II. New Zealand.

*Population and Exports, 1894-1912

Year	Estimated Population	Exports. Wool £	Gold £	Frozen Meat £	Butter and Cheese £	Agricultural Produce £	Manufactures £	Other Products £	Total £
1894	686,128	4,827,016	887,865	1,194,545	366,483	317,655	224,958	1,266,626	9,085,148
1900	768,278	4,749,196	1,439,602	2,123,881	969,731	1,230,565	549,342	1,992,932	13,055,249
1906	908,726	6,765,655	2,270,904	2,877,031	1,901,237	270,542	988,264	2,766,713	17,840,346
1912	1,052,627	7,105,483	1,345,131	3,909,569	3,769,202	1,060,605	636,795	3,445,620	21,272,405

Taking up first some of the leading products exported from the Dominion since the inauguration of regulating legislation, it will be seen from the preceding table that while the quantity of some articles exported has decreased, there has been a general increase in the value of sales to other countries. The annual aggregate value of all kinds of exports has more than doubled since 1894. (Page 2024.)

* Official year book of New Zealand, 1913, pp. 98, 331.

Wages Boards in Australia. M. B. Hammond. *Quarterly Journal of Economics, November, 1914.*

The long-delayed Report of the Royal Commission Appointed to Investigate and Report on the Operation of the Factories and Shops Law of Victoria was completed in February, 1903, and presented to Parliament. The Commission had not limited its investigations to Victoria, but had visited other Australian states and New Zealand to study the operation of their laws. The investigation seems to have been a careful one and to have been conducted in no partisan spirit. . . .

The Commission admitted that many of the employers who gave evidence looked with critical eyes upon the wages boards. (Page 139.)

To satisfy themselves as to the truth of these allegations, the Commission investigated the conditions in all trades (11 in all) in which a determination had been in force long enough for the results to have become known. It was found that while mistakes had been made in the first award in the boot industry and in the awards in the printing and wood-working industries, on the whole the evil effects of wages boards' determinations had been greatly exaggerated in and out of Parliament. The export trade of all the industries which had an export trade at the time the board determinations went into effect had shown a substantial gain. The number of employees had not diminished except in the trades where much machinery had been introduced, although the European furniture trade had shown no marked increase. Sweating, it was declared, had practically disappeared.* (Page 140.)

The Minister of Labor, Mr. Murray, who introduced the bill and who, it will be remembered, showed no enthusiasm for the boards in 1902, now said that he did not think the New Zealand laws had proved satisfactory† and that the Victorian "system of an arbitrary fixing of a minimum wage is a provision I am prepared to defend, as against all other propositions that have been made,

* Report of the Royal Commission, pp. xxxv-lx.
† Parl. Debates, vol. 105, pp. 45, 52.

or against all systems that are in operation elsewhere."* He presented statistics which showed that the growth of those industries which were under the wages boards plan had been fully as great as that of the trades not included, so that there was no truth in the oft-repeated assertions that the wages board system was preventing the growth of industry.† (Page 141.)

Things That Matter. L. G. Chiozza Money, M. P. *Methuen, London, 1912.*

. . . I have been asked by one who is inclined to admit the general truth as to the economy of high wages, "What of foreign competition? How are we to maintain our exports if British wages rise above those paid abroad?"

This objection does not really raise a new point. If the general case for high wages is true, then high wages must assist instead of diminishing export trade.

Let us bear in mind the case for high wages. It is that it produces efficiency in (1) the employee, (2) the employer, and (3) industrial plant. This being so, the efficiency of man, master, and factory must have the same results in relation to export trade as in relation to any other department of trade. And it must be true that the nation which pays high wages will beat the nation which pays low wages. If anyone is inclined to think that this is pretty theorizing not borne out by everyday facts, let him pose the following question:

Question: Which is the greatest exporting country in Europe?

Answer: The United Kingdom, the rates of wages in which, unsatisfactory as they are actually, are relatively the highest in Europe.

If anyone thinks it mere chance that this is so, let him ask himself another question:

Question: Which European nation, next to the United Kingdom, has the largest export trade?

* *Ibid.*, p. 46.

† Report of the Royal Commission, pp. 47-50.

Answer: Germany, the wages paid in which are, next to those of the United Kingdom, the highest paid in Europe.

Let us take this a little further. Which three great nations in the world have the highest rates of wages? The answer is: The United States, the United Kingdom and Germany. These three nations, which pay the highest wages, have also by far the largest export trades in the world. If the payment of low wages really means the gain of competitive power, then it would be the low wage countries which would be at the head of commercial affairs. (Pages 45-46.)

EXPORTS OF GERMANY AND FRANCE. SINCE 1880.

	France. £	Germany. £
1880	139,000,000	145,000,000
1885	123,000,000	143,000,000
1890	150,000,000	166,000,000
1895	135,000,000	166,000,000
1900	164,000,000	227,000,000
1905	195,000,000	282,000,000
1910	240,000,000	367,000,000
Increase	£101,000,000	£222,000,000
Increase per cent. (about)	70	150

Here are two countries with the same fiscal policy, so that the fiscal factor, which so often at this time clouds the intelligence of men who endeavor to think, is eliminated. The one Protectionist country has beaten the other in hollow fashion. Starting at about the same level thirty years ago, Germany has increased her exports about 150 per cent., while France has increased hers about 70 per cent.

Is the explanation that Germany is paying lower wages than France? No, the fact of the case is that German wages are higher than French wages, and are

rising more rapidly. If high wages checked exports through dear production, Germany would have suffered severely and France would have taken the lead of her.

Now let us make an interesting comparison of the rise of German exports and the rise of German wages. The great Krupp works in Germany afford a very interesting clue to the rise of wages in Germany. In the following table, I compare the average daily earnings (not mere rates of wages) at Krupp's with German exports.

GERMAN WAGES AND GERMAN EXPORTS.

Year.	Average daily earnings at Krupp's Arsenal.		German exports.
	s.	d.	£
1880	3	1¾	145,000,000
1885	3	7	143,000,000
1890	3	10½	166,000,000
1895	4	0½	166,000,000
1900	4	8½	227,000,000
1905	5	0½	282,000,000
1910	5	4¼*	367,000,000

* £83, 16s. per annum; the average wage at Woolwich Arsenal in 1910 was £101, 18s., 8d.

It will be seen that in the earlier part of the above period German exports did not rise much, neither did German wages rise much. It is in the latter part of the table that German wages and German exports are seen to be rising together.

But it is unnecessary to go abroad for proof of the strengthening of export trade by higher wages. The industries in which Britain chiefly shines, and the trades in which she exercises the greatest power in exporting, are precisely those in which rates of wages are highest. (Pages 47-48-49.)

(2) Effect on Prices.

One objection to the establishment of minimum rates of pay is that increased wages will lead to increased prices to consumers. Hence it is argued that the workers, having to pay higher prices for commodities, will suffer, rather than benefit from the increase in wages. But this criticism ignores the fact that if prices are raised, the expense is borne by the entire body of consumers, only a portion of whom are wage-earners. The workers, however, receive the needed increase in wages and therefore are benefited even if prices are raised.

Thus in Victoria in 1896 sweated mole trousers were sold for 6d a pair. In 1898, after a minimum wage went into effect, the price was raised to 9¼d. each. But the average wages of 4,484 employees had been raised 2s. 9d. per week.

Secondly, even when prices are raised after a wage determination, experience shows that the increased price is not necessarily due to the rise in wages. Thus in Great Britain according to the British Board of Trade ready-made suits increased in price 7.5 per cent. and overcoats 11.1 per cent. between 1905 and 1912, before the minimum rates were set. This increase was due to the rise in cost of materials apart from any advance in wages.

Thirdly, the increase in cost, if any, caused by higher wages, is shown to be too small legitimately to affect the retail price to any marked degree. This is because the labor cost of most industries does not usually exceed and often falls below 20 to 25 per cent. of the total cost of

production, in some trades, dropping as low as 4 per cent. of the total.

Fourthly, in some cases a rise in wages is not the cause but the excuse for increased prices. Thus, according to Justice Higgins, when a wage board raised the pay of milk carters, milk vendors raised the price of milk far beyond the amount necessary to recoup themselves. Such a practice obviously cannot be held against the wage board system itself, but like all abuses of a benefit must be separately combatted.

If, however, a rise in prices should prove inevitable after an increase in wages, the burden would justly be borne by the entire body of consumers who have previously profited unjustly by the underpayment of the workers.

The Establishment of Legal Minimum Rates in the Box-making Industry under the Trade Boards Act of 1909. The Ratan Tata Foundation (University of London). M. E. BULKLEY. *With Introduction by* R. H. TAWNEY. *Bell, London, 1915.*

One of the arguments advanced against the establishment of the minimum wage was that the increased cost of production consequent on a larger wage bill would naturally lead to a rise in prices, which would inevitably restrict the demand. . . . (Page 46.)

The first point to be considered is the effect on prices of the Trade Board's determination. During the last two or three years there has been a fairly general rise in the price of boxes, but this rise is due to a variety of causes. The Trade Board is one factor at work, but the Insurance Act and especially the rise in the cost of raw materials have been far more instrumental in bringing it about. During the last two or three years the price

of all raw material, strawboard, glue and, more recently, paper, has increased considerably. The relative value of the labour and material varies according to the kind of box. In a small box, according to the calculations of a large employer of labour, the value of the labour may be six times as great as the value of the material, while in a large box the labour value may be only one-ninth that of the material; it would therefore be the manufacture of the small hand-made boxes that would be most affected by the increased wage bill. (Pages 46-47.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation (University of London). Bell, London, 1915.*

The commonest objection to the policy of the minimum wage is based on the assumption that its direct advantage to the workers whose wages are raised must somehow inevitably be more than counterbalanced by the effect of the increased costs which it is believed to impose upon industry. This attitude of criticism is not in itself an unreasonable one. (Page 97.)

Though too short a time has elapsed since minimum rates were fixed in the tailoring trade for their ultimate effect to be determined, its experience nevertheless offers some data by which the validity of this line of argument may be tested. . . .

There is little reason to think that the fixing of minimum rates in the tailoring trade has had, as it had in the chain trade, any appreciable influence in raising prices to the consumer, though it is possible that it may have caused some manufacturers to raise them indirectly by supplying a somewhat inferior quality of article. A statement so contrary to the opinion generally expressed needs some justification. It is, of course, perfectly true that during the last two years the prices of nearly all kinds of clothing have risen. To say this, however, is not to say that the increased prices are caused by the increased wages; and, when one comes to look closely at the alleged connection, one finds several reasons for being

sceptical as to its existence. First, the rise in the price of clothing is not a new phenomenon beginning in 1912 or 1913. On the contrary, according to the Report* of the Board of Trade on the cost of living, which appeared in 1913, the price of ready-made suits rose 7.5 per cent., and the price of overcoats 11.1 per cent., between 1905 and 1912. Quite apart from any advance in wages, it was to be expected, therefore, that the prices of 1913 would be from 1 per cent. to 2 per cent. higher than those of 1912, and those of 1914 correspondingly higher than those of 1913.

Secondly, the effect of an advance in wages upon prices will depend upon the proportion which wages form of the total expenses of production. (Pages 98-99.)

On the assumption that wages constitute about 25 per cent. of the expenses of manufacturing clothing, an increase of 10 per cent. in the wages bill would mean an increase of 2½ per cent., and a rise of 20 per cent. in the wages bill an increase of 5 per cent. in the cost of production. Materials are a far more important item in the manufacturers' expenses, and the cost of materials has been rising. Hence, while it is true that a certain number of retailers and manufacturers ascribe the rise in prices to the Insurance Act, or to the Trade Boards Act, or to both, there seems more to be said for the view of the larger number who have insisted that, apart from any legislation, prices would have risen owing to the increased cost of materials used in the manufacture of clothing. "Wool of various classes," stated a large firm in June, 1913, "has advanced from 10 to 15 per cent. during the last six to nine months, and the cost of dyeing and finishing has risen by about 10 per cent."

Thirdly, the effect of the Trade Board in raising wages has been felt seriously only in certain districts. To the significance of these local variations in wage levels, of which we have already spoken, we return below. If the Trade Board has considerably raised the wages of women in (for example) London, the eastern counties and Bristol, it has but little affected them in Leeds,

* Cd. 6955 of 1913, p. xlix.

Hebden Bridge and Manchester. But all these districts are competing in the same market, and it is very doubtful, therefore, whether those manufacturers whose wages bills have been increased can place the extra cost on to the consumer, when their competitors are selling (as far as the Trade Board is concerned) at the same prices as before. "So far as Leeds, Huddersfield and other clothing centres in this district are concerned," writes a manufacturer, "the Trade Boards Act is a thing of the past. The Leeds standard for women workers is now 4d. an hour; for men, 8¼d., 8¾d. and 9½d. . . . The advance in wages (*i. e.*, the advance secured by the Trade Unions) is not, however, responsible to any great extent for the increased prices of clothing. The main cause is the great advance in the price of all materials used in the production of a suit." (Pages 100-101.)

We may now sum up the main conclusions of this chapter:

(i) There is no evidence that any appreciable rise in prices has been caused by the establishment of minimum rates of payment in the tailoring industry, though there has probably been some decline in the quality of clothing. (Page 160.)

The Effect of Minimum Wage Legislation upon British Industry. B. Seebohm Rowntree, (*Director in the Firm of Rowntree and Co. Ltd., Manufacturers of Cocoa*). *Financial Review of Reviews. London, July, 1914.*

It is frequently stated that if an increase in wages leads to an increase in prices the workers would be no better off. Those who use this argument forget that the whole of the increase in wages goes to the workers, but that they only purchase a proportion of the finished goods. Even, therefore, if the whole of the extra cost of wages were added to prices—and this really could not happen—the workers would be better off than they are now. (Page 784.)

Beclouding the Minimum Wage. Professor Alvin S. Johnson. *The New Republic, July 22, 1916.*

Let us consider first whether this rise in prices is really inevitable. According to economic theory, if the cost goes up the price must go up. And according to the same lore, when wages go up, costs go up. For, again according to economic theory, we are living under a régime of intense, universal competition, which cuts prices to the level of costs. And our industry is directed by shrewd, far-seeing men, who already manage their labor force as well as they can and pay as high wages as they can without forfeiting their profits.

It is not to be denied that the hypothesis of perfect competition has proved useful in the handling of many economic problems, especially those relating to currency and to wholesale prices. The hypothesis becomes less and less useful as the facts of price-making depart more and more widely from the hypothesis. Prices, as paid by the final consumer, are far from any competitive standard. The Standard Oil Company fixes the price of gasolene at what the traffic will bear—well above the cost level. If costs were to rise the price might not rise at all; the traffic would not bear more on account of the rising costs. Five-dollar shoes are so priced because the traffic will bear five dollars. Raise the wages of shoemakers, and the five-dollar shoe will not sell at five dollars and ten cents. The price will probably remain at five dollars and the extra cost will be subtracted from the profits of the manufacturer or the jobber, or the retailer—wherever charging what the traffic will bear is practised. Somewhere, along the road from the producer to the consumer, almost every commodity falls into the hands of a functionary who adds to its price what the traffic will bear. If the costs are higher the addition will be less; if lower the addition will be more. Thus an advance in costs is likely to be absorbed before it ever reaches the consumer and affects demand. Especially is this true when the advance in costs is small. In most of the industries that live by the labor of underpaid women wages make up

only a minor part in the total costs. An advance in wages of twenty-five per cent. would rarely mean more than a five per cent. increase in total costs, even if no increase in efficiency followed the rise in wages. In the circumstances, we have no real warrant for asserting that a rise in women's wages from six dollars to eight dollars a week would raise prices to the consumer and curtail demand. (Pages 297-298.)

Is the Minimum Wage a Menace to Industry? N. I. Stone. *Chief Statistician, Wage Scale Board of the Waist and Dress Industry of New York. The Survey, February 6, 1915.*

An important fact, which is usually overlooked in discussing this question, is the low ratio which the wage-bill bears to the total cost of an article. The one feature that marks modern industrial progress is the constant improvement in machinery, tending to eliminate or to reduce human labor to a minimum, and to substitute unskilled for skilled labor. As a result, there are few manufacturing industries today in which the labor cost exceeds 20 to 25 per cent. of the total cost of an article, and not much more than half that figure when measured in terms of the retail selling price of the same article. In a very large number of industries it does not exceed 10 to 15 per cent. of the total cost and a still smaller fraction of the selling price.

Even overlooking the fact that the minimum wage would affect only a part of the workers, and disregarding their inevitable increase in efficiency at a higher wage, it is clear that a rise of, say, 50 per cent. in wages, would in most industries be equivalent to an increase of 5 to 12 per cent. of the cost of production, and of about 3 to 6 per cent. of the retail price. On a yard of cotton cloth retailing at 10 to 25 cents the increase would amount to from one-half to one and one-quarter cents; on a pound of candy selling from 35 to 60 cents per pound, it would amount to a fraction of one cent to 3 cents per pound, except in so far as retailers might take advantage of the

fact to "round out" fractions of cents into nickels, and cents into dimes, as they do in some cases.

In most cases, however, the increase in cost, if any, caused by higher wages, would be too small to affect the selling price of the merchandise and could be borne by the manufacturer without appreciably affecting his profits. (Page 514.)

The Australian Experience With Wages Boards. M. B. HAMMOND, *Vice-Chairman Industrial Commission of Ohio. The Survey, February 6, 1915.*

If prices do increase as a result of the rise in wages, it means that the industry as a whole has been in a sweated condition and that the wage increase is borne by consumers who had been benefiting at the expense of the workers. (Page 499.)

A New Province for Law and Order: Industrial Peace Through Minimum Wage and Arbitration. HENRY BOURNES HIGGINS, *High Court of Australia, Melbourne.* [*President since 1907 of the Court of Conciliation and Arbitration.*] *The Harvard Law Review, November, 1915.*

Perhaps I should add here that up to the present I have not been able to trace any increase of price of commodities to the fixing of minimum wages. It is not the function of the Court to ascertain the truth as to the causes of increased prices, but the Court watches for any sidelights on this important subject. In one case, I believe, a wages board raised the wages of milk carters by 1s. per day and the milk vendors at once raised the price of milk by 1d. per quart. For 100 quarts per day, this would mean an increase of receipts to the amount of 8/4 per day, so that the milk vendors had raised the price of milk far beyond the amount necessary to recoup them for the additional wages. (Page 37.)

Effect on Prices.—Australasia

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chap. I. Victoria.

Many people hold the view that an increase in wages must necessarily be followed by an increase in the price of the product. The merits of this economic argument are discussed elsewhere. Here our primary concern is to learn in what degree this has been the case.

In the sweated trades the forced rise in wages at first meant an increase in the price of the product. In 1896 mole trousers were made for 6d. a pair, which price was admittedly due to sweating. After a determination went into effect in 1898 they were sold for 9¼d. each. But the average wage of 4,484 employees had been raised 2s. 9d. per week. This meant in the aggregate £32,060 more for the workers in this line of industry. The Factory Department reported the actual increase in the cost of production of shop clothing to have been so slight as to have scarcely affected wholesale prices. As the figures in these cases were supplied by the manufacturers themselves, there is no reason to doubt their veracity.*

In the boot trade a board determination first raised the wages of every man, woman, boy and girl employed, an average of 4s. 4d. per week. The prices of boots and shoes were not perceptibly raised, owing in part to the fact that both machinery and the task system were then being introduced into this trade.† But in 1910, following an increase of the wages of adult males from 48s. to 54s. per week by an award by the Commonwealth Arbitration Court, the cost of production was noticeably raised. However, a scarcity of hides and the general dearness of trade accessories was also responsible for this advance.‡

It is hard to estimate the part played by a board in raising prices, for it may not be the primary cause of price advances. A doubtful instance was the situation

* Report of the Chief Inspector of Factories, 1898, p. 8.

† *Ibid.*, p. 12.

‡ Annals of the American Academy of Political and Social Science. 48:34.

in Melbourne which followed a determination raising the wages of cooks and waiters in hotels and restaurants. The cheap restaurants immediately doubled their price of meals. While the increase in wages was probably in part responsible for the increase in prices, the wage increase was the occasion, rather than the cause of the higher prices. Owing to an increase in the cost of food supplies, a raise in prices was bound to come sooner or later.* The fact remains that in several trades where wages have increased, neither cost nor price has been similarly affected, and in some cases they have tended in opposite directions. One leading employer has stated that the wages boards "have made no difference in business and no traceable difference in prices".† In response to a special inquiry made by Mr. Aves, twenty-eight employees and employers said they were unable to mention a case where the board system has induced a higher price as against nine who were either doubtful or contrary in their opinion. But the common testimony from many lines of industry is that while prices have been raised, the increase has scarcely kept pace with the rise in the cost of production. (Pages 1917-1918.)

Chapter II. New Zealand.

In New Zealand, as in other parts of the world, the rise of wages has been accompanied by a rise in prices and the cost of living. The causes advanced for this general increase have been as numerous here as elsewhere. Opponents of the arbitration law declare it to be the chief source of mischief. Complaints have repeatedly been made that coal costs more on account of the high wages of miners; that buildings are more expensive because carpenters, painters and plumbers must be paid at a higher rate than they formerly were; and that the millers have raised the price of flour owing to the wage awards of the Arbitration Court. The Victorian Commission practically admitted these charges with the defense that the marked prosperity of the Colony permitted

* Victoria, Report of the Chief Inspector of Factories, 1910, p 5.
† Aves, p. 56.

the employer to transfer to the consumer the cost of higher wages with but little appreciable effect. It was furthermore claimed that the workman at once put this added wage into circulation again by purchasing additional food and clothing and little luxuries that he would not otherwise obtain.

The most valuable source of information upon the problem of prices and living costs is the report of the Royal Commission on the Cost of Living in New Zealand, published in 1912. The Commission consisted of eight very substantial members and was headed by the former Secretary of Labor, Mr. Tregear. Its findings were embodied under thirteen distinct heads and covered in detail the various factors influencing prices and production costs. Considerable weight may therefore be given to its opinions.

The specific effect of labor legislation upon the cost of production was one of the subjects of inquiry pursued by the Commission. It was found that in some trades, such as the coal industry, the labor cost of production had undoubtedly increased. From 1901 to 1910 there was an increase of nearly a shilling per ton in labor cost, while during the same period the price of coal to the consumer was reduced by no less than five per cent. In explanation of this fact, the managing director of the Westport Coal Company declared that while the effect of the awards of the Arbitration Court was to increase wages the company had cut its profits so as to sell coal at a lower price. Pushing the principle a little further the Commission stated: "That the necessity to preserve profits threatened by the conditions imposed by labor legislation generally has been a factor in stimulating the introduction of up-to-date machinery and improved methods, and has thus tended directly for efficiency".* It is evident from this statement that competition brought on through the effects of labor legislation has necessitated special efforts to "tempt demand." This effort has frequently taken the form of price reduction, which has been energetically fought by certain trade combinations.

* New Zealand, Cost of Living Commission, 1912, p. xxxiv.

Whether due to their efforts or not, it is undoubtedly true that the cost of certain manufactured articles to the public has increased. It is difficult to say in these instances whether the increase in price preceded or followed the increase in wages. The latter view is supported by the experience of the coal trade, while the experience of the boot trade apparently justifies the former. In many instances where the effect of wage increases was investigated, it was found that employers had increased prices to the public far beyond the wage increase granted. This would seem to support the opinion of Mr. Aves, that when profits can be calculated on a percentage increase of the total cost, the actual amount of profit is apt to become higher, the higher wages are raised. Yet taking into consideration these examples of apparent extortion, the Commission believed it "reasonable to assume that prices generally have not been arbitrarily inflated as the result of labor legislation." (Pages 2040-2042.)

Minimum Wage Legislation. Rev. John A. Ryan. *Proceedings of the Minnesota Academy of Social Sciences, 1913.*

There is, however, one objection to a universal minimum wage which has in it some elements of validity. At least, it will stand the test of examination. It consists in the possibility that the increased wages would be followed by increased prices, and, therefore, by diminished production and diminished employment. Nevertheless this contention has been unsuccessfully urged against every legislative enactment which apparently tends to increase the cost of production, such as, eight hour laws, child labor laws, industrial safety laws, accident compensation laws, and every other legal regulation which restricts in any way freedom of contract or freedom of industrial management. Since the objection has not been permitted to prevail against these worthy and necessary measures, it should not stand in the way of minimum wage legislation. To be sure, if the wages of all the underpaid workers in America were raised to decent and

living levels by one sudden stroke of legal enactment, the evil results that we are now discussing would probably be verified. Such able and uncompromising advocates of the minimum wage as Sidney and Beatrice Webb make this admission. Consequently the advance in wages effected by the law should be gradual and continuous, not quick and final. In this way the rise in prices would be confined to the products of a very few industries; for the greater part of the increased wages would probably come out of the increased efficiency of the workers, and the diminished profits of monopolistic establishments and sweating establishments. (Pages 114-115.)

British Sessional Papers. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. Ernest Aves.

This question of cost is so fundamental that when the view is accepted that increased wages must lead to increased cost, and when circumstances appear to leave no margin for such an increase, any change that involves higher wages comes to be regarded as impracticable.

Some of the fallacies, mainly traceable to an assumed fixity in the determining conditions—personal and economic—which underlie this assumption in its application to certain industries are recalled by Victorian experience, and the extent to which the combined view is held that Special Boards have increased wages and have not increased cost is of practical significance, since it is found to prevail in several of those trades in which the evil of underpayment is apt to be most prevalent. The Special Boards themselves may or may not have sent wages up to the extent often assumed or even at all. The fact remains that in several trades in which wages have tended upwards there is much testimony to the fact that neither cost nor price have been similarly affected, and in some instances it has been admitted that they have tended in the opposite direction. (Pages 55-56.)

Effect on Prices.—Great Britain

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London).* *Bell, London, 1914.*

The principal indirect effects of the Trade Board rates are seen in connection with the price of chain, the quality of work and, to a less extent, the general organisation of the industry. In respect of its ability to raise prices to the consumer, the chain trade stands in a peculiar position. (Page 108.)

The chain-making industry is not typical, and it would not be right to assume that the effect of raising wages in other industries by means of a Trade Board would necessarily be to raise prices merely on the ground that it had that effect in the chain trade. That this has been the effect in this particular industry there seems little room for doubt. (Page 109.)

For the purpose of comparing the rise in prices per cwt. to the purchaser with the increase in the piece prices per cwt. paid to the worker, one may set the average increase in the price of common chain given above side by side with the average increase in the piece prices paid for making common chain (see back, p. 86). The result is as follows:

Increase in price to purchaser of four sizes of common chain	30.8 per cent.
Increase in piece prices to worker on common chain	49 per cent.

It will be seen that the advance in prices to the purchaser is about three-fifths of the advance in piece prices paid to the worker. But these figures exaggerate the advance in prices to the consumer. For, as will be shown below, the quality of the chain made has improved, and the purchaser is therefore obtaining a better article for his money. (Pages 109-110.)

How far this rise in prices, such as it is, is due to the rise in wages it is impossible to say. During the period under consideration the prices of most articles, including

the raw materials for the manufacture of chains, have been rising, and 1912, the year for which prices are given, was one in which they were disturbed by the enormous temporary rise in the price of coal. The general view of manufacturers that the advance in wages has, in the main, come out of an advance in prices, must not, therefore, be taken as implying that the prices would not have risen if the old rates had remained in force.

To say that an advance in the price of chains is the principal immediate source from which the increased wages of chainworkers have come is not to imply that this must be so permanently. Though, for the reasons given above, the opportunities for introducing improvements in the process of manufacture are not so numerous as in most factory industries, there are signs that even in the chain-making industry the rise in wages has, as usual, let loose forces making for economies in production. In the first place, the establishment of minimum rates appears to have a distinct effect on the quality of the chain produced. That the low rates paid resulted in inferior work has long been a common-place. (Pages 110-111.)

That bad wages produce bad work is an experience as common as it is habitually disregarded, and it is not surprising that with the advance in the prices paid the quality of the chain should have improved. (Page 113.)

How far has machinery been used to meet the extra wage-bill imposed by the Trade Board? This question can be answered with some accuracy. Of the two kinds of machine-made chain on the market, weldless or twisted chain and electric welded chain, the former appears to be made by two firms in England, the latter by seven, which while continuing to produce a good deal of chain as before, have in the past few years put in electric-welding machines. As far, therefore, as the trade as a whole is concerned, one may say that hitherto the introduction of machinery, though somewhat accelerated by the Trade Board, has taken place only on a quite inconsiderable scale.* (Pages 113-114.)

* Chain Trade Board Papers, 304.

At the present moment, indeed, the demand for machine-made chain seems, in spite of the activity of trade, to be diminishing rather than increasing. Farmers, who a year or two ago were placing orders for it, have returned to hand-hammered chain, on the ground that the latter is more durable. Nor is it without significance that, so far as can be ascertained, not a single tender for a cwt. of machine-made chain should ever have been received by the Admiralty. For the British Admiralty is by far the largest buyer of chain in the world; it is the ambition of every chain-making firm to secure its custom; and if chain could be produced by machinery which would face the required tests, it would be incredible that the Admiralty should not have been inundated with offers to supply it.

It would, however, be contrary to all experience to assume that technical difficulties will permanently stand in the way of the introduction of machinery. (Page 115.)

It may, however, be useful to the reader to summarize the main points which emerge from the experience described in the preceding pages. They are as follows:

. . . (vii) The increased piece rates have been met partly by an advance in the price paid for chain by the purchaser, partly by an improvement in the quality of the chain made, partly by a reduction in the profits of the shop-owner or middleman, partly, but only to a small extent, by the introduction of electric-welding machinery. (Pages 130-131.)

Lohnpolitik und Lohntheorie mit besonderer Berücksichtigung des Minimallohnes. (*The Wage Question in Practice and Theory with Special Regard to the Minimum Wage.*) Otto von Zwiedineck-Südenhorst, *Professor in the Technical Institute of Karlsruhe. Duncker and Humblot, Leipzig, 1900.*

The assertion that the price of commodities must rise if wages were increased is based on the assumptions that the remaining factors of production would remain

unchanged and that the manufacturer would not in any case permit his business profits to be decreased. These assumptions, however, stand in the sharpest contradiction to economic life and the assertion disregards the sinking rate of interest as completely as it does the decline of profitableness in enterprises which can in fact be so often observed. It is always the old fallacy of the Smith school which one here encounters, and which leads to the belief that the spirit of enterprise turns its back unconditionally on a trade as soon as the profits decline and directs itself to another branch of industry.

If this teaching were strictly true, how could it be, then, that industries with wholly different rates of revenue are carried on side by side? It presupposes a total ignorance of real life for one to assume that the rate of profit of a business has remained in the course of years always the same, absolutely or relatively—that is, by comparison with the profits of other industries. The unfavorable alteration of the various factors of production, all of which determine the cost of production, need not always and can not always, in fact, be transferred to the consumers and find expression in increased prices. (Pages 336-337.)

The instances of injury to the business man's profits are so numerous and are so frequently not made good by increased prices that only a total lack of familiarity with the circumstances of actual business life could lead to the assertion that increased wages, as a permanent increase in the cost of production, must, of binding necessity, have as a consequence an increase in the price of the commodities produced. A rise in the rate of interest for ready money, which often enough permanently increases the cost of production, diminishes business profits no less, and in the same way the business man must bear a moderation in prices caused by the circumstances of competition or by measures of business policy. (Page 338.)

(3) Stimulus to Industrial Efficiency.

(a) on the part of employers.

1. General Management.

The facts previously set forth as to the stimulus to the efficiency of employers resulting from higher wages* is borne out by the experience of those trades in which a legal minimum wage has been set. It has caused employers to scrutinize their business in new ways, to introduce new machinery, new methods of management and organization. It has also led employers to watch and instruct their employees more carefully so as to enable them to earn the required minimum wage.

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

It is in the lesson which it has given in the better management of industry that the Trade Board supplies the most striking illustration of "the economy of high wages." It is evident that the wages earned by the workers must depend to a considerable extent not only upon the piece-rates, but on the equipment provided and the way in which the work is organised by employers. Indeed, the method of management adopted by a firm may make all the difference between comparatively high and comparatively low weekly wages. (Page 135.)

The evidence of more than one industry placed under the Trade Boards Act suggests that almost the first effect of an advance in wages is to lead the employers most affected by it to search, and search successfully, for ways of producing cheaply to which they were indifferent before the advance took place. (Page 136.)

"The only way to meet the increased cost of labour," stated a firm with factories in London and the eastern

* See page 475 ff.

counties, "is the better organisation of industry." "The difference," said another, "between an up-to-date, well-organised factory and an old-fashioned one offers a margin over which wages can be raised." He added that the invariable effect of legislative interference with an industry was to lead employers to introduce improvements in organisation and equipment which would not otherwise have been made. Whether this statement is true or not as a general rule, there is no doubt that the establishment of minimum rates in the tailoring industry has been very generally followed by changes in methods of management and organisation, and that in the opinion of competent observers these changes, though often individually minute, have led to an increase in the technical efficiency of the industry. . . .

Organisation is a vague word which includes large matters of policy and details so small as to seem too trifling to mention. The effect of the Trade Board has been seen in four main directions. It has been responsible for a closer supervision of earnings and of work. It has led to more careful attention being given to the training of workers. It has caused processes to be redivided and to be grouped differently. It has stimulated the introduction of new kinds of power and of better machinery. (Pages 137-138.)

Speaking generally, one may say that the mere fact of setting up a standard reacts on the efficiency of the whole factory, which tends to be tuned up, as it were, to a new key. The change is obviously to the advantage of the management, which, though it pays larger sums in wages each week, gets a larger output from its machines. Its effect on the workers is more equivocal. It is certainly a good thing that a firm should be under an obligation to watch their earnings and feel a responsibility for seeing that they do not fall below a certain figure. In some firms this seems to be quite a new departure. Before the establishment of minimum rates, some employers (though, of course, not all) felt little responsibility for the weekly earnings of their workers. They knew what the piece-rates were, but they did not reflect what

wages they could reasonably be expected to produce. (Page 139.)

Now that employers are bound under a penalty to see that the piece-rates are such that the ordinary worker *can* earn not less than a certain weekly wage, they examine the wage sheets in a manner unknown before. If the result is that they advance the piece-prices or make some such improvements in organisation or equipment as are described below, the workers gain, of course, as well as the management from the increased efficiency of the business. Unfortunately, there is another alternative. To introduce technical improvements requires intelligence and may require capital. If the views expressed to us by a considerable number of manufacturers may be trusted, it would appear that some firms possess neither. Their only idea of increasing the output is to drive the workers harder than before; and, since the Tailoring Trade Board has not fixed minimum piece-prices, but only a minimum time-rate, it is possible to try to force the workers by undue pressure to earn the minimum time-rate on piece-rates which will not produce it except at the cost of nervous overstrain. (Pages 139-140.)

Legally, of course, the Board of Trade has power to proceed against an employer who behaves in the manner described in these three instances. For it is evident that if the piece-rates are such that the girls can earn the time-rate only by excessive exertion, then they are not sufficient to yield 3¼d. per hour to the "ordinary worker". In practice, of course, it is extremely difficult to check such abuses. Our own view, however, is that they are somewhat less common than they were when the minimum rates first became obligatory, and are likely to be less common still in the future. In the first place, as the Investigating Officers gain experience, they are better able to detect those piece-rates which will not produce the minimum time-rate unless the workers are overdriven. (Page 141.)

. . . In the case of the better managed firms the

effect of the Trade Board's rates has been to stimulate the employers to meet them not merely by "speeding up", but by the more careful training of workers and by the improvement of processes and equipment. (Page 142.)

The final source from which the increased cost caused by higher wages can be met consists in the introduction of better machinery. That the Trade Board was expected to increase the use of machinery in the tailoring trade is shown both by the opinions expressed in the "objections" forwarded by employers to the Board, and by the fact that in the advertisements inserted in trade papers machine-making firms have, for the last two or three years, expressly mentioned the Trade Board as a reason for buying machines. The tailoring industry is, indeed, one where the opportunities for meeting increased costs by machinery are exceptionally great. On the one hand, there is scarcely a process which cannot be performed by machinery at least as efficiently as, and more cheaply than, by hand, provided firms are willing to incur the initial expense of putting it in. On the other hand, at the present time, so far from there being anything like the similarity of equipment throughout all firms in the trade, which obtains (for example) in the cotton industry, there is the greatest diversity in the degree to which the resources of science and invention are used by different firms and in different districts. (Pages 148-149.)

Inquiries as to the increased use of machinery which we have addressed to several large firms of machine-makers have usually received the answer that there is no doubt that a large amount of work which was previously done by hand is now done by machinery, and that, though this is partly due to the natural development of the industry, it is also in part to be associated with the rise in wages caused by the Trade Board. (Page 153.)

An assumption which is still not uncommon is that the self-interest of competing employers is the guarantee that the most efficient methods of industrial organisation will be adopted. . . .

In reality, except in a few strongly organised industries, no assumption could be farther from the truth. What is true is that competition does keep competing employers up to the mark *in those matters which come within their immediate purview*, and the significance of which needs no special effort either for their understanding or for their application. No man buys dear if he can buy cheap, or sells cheap if he can sell dear. But there are a large number of matters which do not ordinarily come within the purview of more than a small number of exceptionally enlightened employers, because they have not any immediate competitive significance, and, with regard to these, the actual practice of employers is no guide to the practice which is either economically or socially most beneficial. (Pages 156-157.)

In fact there are probably not many industries where the actual product is identical with the potential product under good conditions of labour and management. (Page 158.)

A minimum wage sets up a standard of management to which the worst-equipped firms in the industry must conform. Its effect is thus to apply to the manufacturer, though in a much softened form, the same tests of efficiency which are applied to workmen. If a workman cannot get a certain amount of work off his machine, he is dismissed, on the ground that he is not profitable to the employer. But in the absence of a minimum wage an employer may be as incompetent as he pleases, he may be careless as to organisation and parsimonious in the matter of equipment, and yet maintain his position merely because labour is cheap. What the establishment of minimum rates by a Trade Board does is to exclude from the industry those employers who cannot attain the level of efficiency which is measured by their ability to pay a low minimum. If the effect of it were to transfer business from them to their better equipped competitors, there would be some migration of industry and consequent local distress in the immediate result. So great, however, are the opportunities for skilful organisation offered by most modern machine industries, so much are

they neglected when employers can pay any wage they please, and so potent are the effects of the erection of a standard to which they must conform, that the establishment of minimum rates has been followed, at least in the tailoring industry, by a general increase of efficiency both among workers and among manufacturers. (Pages 159-160.)

The Establishment of Legal Minimum Rates in the Box Making Industry under the Trade Boards Act of 1909. The Ratan Tata Foundation, (University of London). M. E. BULKLEY. *With Introduction by* R. H. TAWNEY. *Bell, London, 1915.*

On the part of the employer the necessity of paying an increased wage bill has led to a closer scrutiny of the organisation of his business in order to effect economies. "There have been savings in the methods of manufacture," said one employer, "which have succeeded in many cases in reducing costs. The Act has opened the eyes of employers to the fact that, in many cases, they were wasting money." "The trade," said another employer, "is in a sounder position now than before. Firms have to go into costs. They do not like it, but it is good for them."

These economies may be effected in several ways. There are first the methods to which we have already alluded—the stricter supervision of the workers and the re-organisation of the work so as to avoid waste of time. Another direction in which improved methods can be introduced is in the matter of learners. Some employers have told us that they now exercise greater care in training their young hands. "The learners are supervised more." "We have to be much more careful how we train." "Every worker has to be trained to earn the minimum, whereas formerly it did not matter how little they earned." (Page 51.)

A third method by which the cost of production may be reduced is by the introduction of machinery. During the last few years there has been a very greatly increased demand for machinery and, in the opinion of

manufacturers of machines from whom we sought information, it is to be attributed partly to the minimum rates. "In our experience," writes one machine maker, "the demand for labour-saving machinery in the box trade has been steadily increasing for the last ten years. A further marked advance has occurred in the last couple of years, and we are of opinion that this is not unconnected with the new Trade Board regulations." "We know for a fact," writes another, "that many machinery houses have received increased orders owing to the introduction of this new Act." "I have certainly found," declares a third, "that the fixing of the minimum rates has led to an increase in the use of machinery in the manufacture of paper and cardboard boxes, and, as far as I can gauge, it has increased the sale by at least 25 per cent." On the other hand, the establishment of a legal minimum wage has not been the only factor at work. "The box manufacturer," writes another machine maker, "is now waking up to the fact that he must do something to keep his head above water, owing to several causes, *i. e.* Trade Board rates, National Health Insurance, the great advance in the cost of materials and working expenses always rising. I am now getting many more orders from the smaller man." Another manufacturer even asserts that, in his opinion "the Trade Board rates have not had the slightest influence at all; the percentage of the yearly increase in the use of machinery set in long before the Trade Board rates were established and it has not increased since." This latter would, indeed, appear to be the more probable state of the case. Out of ninety-two employers whom we questioned on this point seventy-one replied either that they had introduced no machinery at all since the Act, or that they had introduced it to meet expanding trade or for other reasons unconnected with the Trade Board's determination. As one employer remarked, "If you want to get on you must get up-to-date machinery." Of the remaining twenty-one who stated that they had introduced machinery as a consequence of the minimum wage, several admitted that they would have been obliged to introduce

it in any case, but stated that their action had been somewhat accelerated by the influence of the Trade Board. (Pages 52-53.)

The Australian Democracy and its Economic Problems. Address before the British Association for the Advancement of Science. F. W. EGGLESTON. *The Economic Journal, London, September, 1915.*

. . . I would venture the paradox that a burden on industry is not always a check on production. It may be a stimulus. This is so in two cases: (1) Where a barrier is supplied to a certain area of economic effort in such a way that it integrates and co-ordinates the forces within that area. There has been in economic history a strong tendency for economic effort to dissipate itself over too wide an area. (2) Where the burden imposed on industry takes the form of an added reward to one particular factor. Here the pressure of contribution levied for the benefit of the one factor may stimulate the other factors to greater effort in order to secure the rate to which they have been accustomed. If the added reward is given to a factor which is naturally weak its effect may also be to overcome the inefficiencies which arise from that weakness. . . .

The pressure of the compulsory high wages coupled with the pressure to sell as low as possible has compelled a reorganisation and adjustment of industry to meet the added charge.

This reorganisation and adjustment has been all to the good. Scientific methods have been applied all round. We have better machinery, better buildings, better accountancy, better selling, more scientific credit. I am speaking here of what I know from masters of industry. On the other hand, a great deal of waste, unearned profits, and inefficiency has been eliminated. In addition there is the great virtue of certainty in one of the most uncertain of all items in industry—the rate of wage. Many employers regard this as a signal advantage of the system. (Pages 355-356.)

The Effect of Minimum Wage Legislation upon British Industry. B. SEEBOHM ROWNTREE, (*Director in the Firm of Rowntree and Co. Ltd., Manufacturers of Cocoa*). *Financial Review of Reviews, London, July, 1914.*

Before leaving this aspect of the question there are one or two considerations to which I must refer. I have heard it suggested that there are many low-paid posts which are quite adequately filled by men of little physical and mental vigour, and that their increased vigour would not profit their employers. From my knowledge of business, based partly on general observation and study, and partly on an experience lasting over twenty years as a member of a firm now employing about six thousand people, I should be inclined strongly to doubt the accuracy of such a view. I have asked our departmental managers whether there are any such posts in their departments, and they tell me that there are none except such as are already filled by aged or infirm workers.* Obviously the advantages of increased vigour will vary according to the working, but in a properly organised business it will count for something in almost every worker. (Page 779.)

We have seen that a considerable increase in the output of labourers ought to result from increasing their wages to an efficiency level; but the extent to which this result will follow will depend largely upon the organisation of industry by the employer. The first and immediate effect of fixing a minimum wage will be to confront the employer who has hitherto paid less with the prospect of a reduction in his profits, and he will ask at once whether this can in any way be avoided. He will probably attack the problem in the following way: First, he will inquire whether work is being wastefully organised and time lost in consequence. In a word, he will try to place his men better, just as a general who has few men to carry through a military operation will spend much thought on so disposing them that each is most effective.

* Under the Trade Boards Act aged and infirm workers are excluded from the minimum wage regulations.

This does not necessarily mean that he will put undue pressure upon the workers. It may possibly mean a number of small labour-saving devices, or seeing that workers are not kept waiting for work, and countless similar expedients. Simultaneously he will inquire whether workers now working "on day" cannot advantageously be put on to piece work, and whether labour-saving machinery which it was not worth while to install when labour was cheaper would now be profitable. Then he will examine other possible economies. He will ask whether he is producing his power in the most economical way; whether he is using coal having the highest calorific value in relation to its cost; and whether there is waste of water or gas. Thus if he be energetic and alert he will go through his factory and effect all kinds of economies. Then he will find out whether improved processes of manufacture can be devised. In short, the new situation which confronts him will act upon the energetic business manager as a spur, inciting him to greater activity. All this may sound rather optimistic, but I am confident that it is a fair statement of what would actually follow the fixing of minimum wages. It may be said that employers are always anxious to obtain the very highest profit, and that if such economies were possible they would already have been effected. But as I pointed out at the beginning of this article, employers, like everyone else, are apt to get into ruts. They are used to a certain method of conducting their business, and to certain profits, and while these profits are secure and nothing shakes them out of their rut, they do not trouble themselves about every leakage, or live on the look-out for every possible advantage. . . .

Similarly, Arthur Shadwell, in his well-known book on "Industrial Efficiency"* tells of a German textile manufacturer who worked out for him the relative economy of reducing wages and cutting down other expenses. "The result surprised him, and he told me that manufacturers in the same branch of industry have only the vaguest idea of the relative importance of the many

* New edition, Longmans, Green and Co., 1909.

items that make up the cost of production. It is a complicated and laborious task to work them out in exact detail, and he had never attempted it before. He found that a 10% reduction in wages was only equivalent to one farthing a yard, or 1% in the price of the finished product. The conclusion he drew was that wages were the last thing they ought to touch in attempting to reduce cost. (Pages 781-782.)

Biennial Report of the Washington Industrial Welfare Commission, 1913-1915.

The girl who wants to learn, to amount to something, to be of some value to her employer, to be competent, capable and efficient, is reaping the benefits of the minimum wage; her less competent, less efficient, indifferent sisters are perhaps being hurt by it, if any workers are. The law has not operated to lessen the competition among women workers, as some thought it might; rather has it stimulated the rivalry because the women are now being paid more nearly what they earn, and are willing to do more, as before the law became effective the chances for wage advancement were so small as to be discouraging. The employers, of course, having to pay more than before, are demanding more than before in the way of services, they are weeding out the incompetents and the misfits, when all efforts to train them properly fail, but they are not stopping there—they are advancing the more competent, the higher skilled, in a ratio that corresponds with the new wage standard. In other words, as the letter of the Seattle garment manufacturer previously quoted shows, the minimum wage has resulted in increasing the efficiency and the morale of the employees in the industries to which it has been applied. The employers are requiring better training of their apprentices now than they did before, for they know that, under the Commission's restrictions, those apprentices will soon be entitled to the established wage and they want them to be worth it. Cold, hard business it is on both sides of the equation, but with the aid of the law business is bringing about a condition that is most beneficial to society—to that ex-

tent, employer and employee are working hand in hand. (Pages 17-16.)

Fourth Report of the New York Factory Investigating Commission. Vol. V. 1915. Public Hearings.

Miss Mary Van Kleeck, Director of Investigations, Committee on Women's Work, Russell Sage Foundation:

. . . Minimum wage boards ought to establish conditions which naturally make for efficiency. It has been stated here several times that industrial education might be a remedy for our problem. I should like to emphasize the fact that efficiency in industry to-day is primarily a matter of management, that it devolves upon the manager to create such conditions as shall make efficiency possible. It is perfectly obvious that unless you have an incentive to efficiency in the form of an increased wage or increased productive capacity, or an exact analysis of what a worker's productive capacity is, you will not have efficiency. We may establish any number of trade schools. We may establish any number of classes and the workers trained in those schools and those classes will not save the general industrial conditions, unless employers are going to improve conditions, unless they realize that it is distinctly an admission of failure on their part to say they have inefficient workers in their establishment, unless they recognize that, there never will be efficiency in industry. What has been done in some industries in the matter of training employees to accomplish their task in the best way and then rewarding them for the accomplishment of that task by an increase is evidence of what can be accomplished. It will never be grappled with in my opinion unless there is some special propulsion or force in all the industries which will make it necessary. (Pages 2804-2805.)

Ibid. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chap. I. Victoria.

An impetus to productive efficiency has often been ascribed to higher standards of employment. Illustra-

tions in support of this contention are to be found in Victoria in several familiar industries. We are informed by the Factory Department that in 1897 there was a large increase in labor saving machinery in anticipation of the determination of the Boot Board.* This policy was continued until the industry was practically revolutionized. Immediately after a determination took effect, new machinery was introduced into all the large pastry houses. The same process was followed in other industries such as brass and iron work. New machines able to do the work of four men were installed in the woodworking trade immediately after a higher rate of wages was enacted.† Of course the inevitable result of these changes was increased specialization, a greater subdivision of work, a larger output, and in some cases a smaller labor force. (Pages 1919-20.)

Chapter II. New Zealand.

To what extent the efficiency of labor and capital has been promoted or lessened by industrial legislation is a question not admitting of a categorical answer. New inventions, improved processes of manufacture, and the better organization of labor always make for efficiency. It is claimed in many quarters that one of the benefits of the arbitration system has been to induce these changes more rapidly. Indeed, according to Mr. Aves, many of the employers and workers of New Zealand were inclined to believe that the introduction of new machinery and the subdivision of work had come more quickly for this reason.‡ As regards certain industries, the recent Commission which investigated the cost of living in 1912 was of the same opinion.§ To the extent that this has been true, the productive processes have no doubt become more efficient. (Pages 2026-2027.)

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* Victoria, Report of the Chief Inspector of Factories, 1897, p. 9.
† *Ibid.*, 1902, p. 32.
‡ Aves, p. 178.
§ See *infra.*, p. 2041.

Chapter III. New South Wales.

Dr. Clark has observed that where an award unduly increases the labor cost of production, employers in some cases find a remedy by introducing machinery. A number of manufacturers and mine managers mentioned the arbitration awards as a reason for the introduction of machinery.* It may be doubted whether this was the sole motive for their attention to the mechanical efficiency of their plants, but it doubtless was a contributory factor. A fact not to be overlooked in this connection is the increasing size of the industrial unit. The factories having fifty hands and upwards now employ over half of such workers in the state.† This tendency is not within its significance as concerns productive efficiency. The adoption of modern appliances and improved processes has been a feature of industrial development here as elsewhere. To what extent this process has been hastened by legislation, it would be difficult to say, but the wages boards have apparently been an influence in this direction.‡

Closely related to the efficiency of methods and organization for which the employer is responsible is the efficiency of the individual employee. There seems to be no consensus of opinion upon this subject. Mr. Aves found that very contradictory opinions were held by mine managers as to the influence of certain agreements upon the working efficiency of their men.§ While in some quarters there is a disposition to work by the stroke, this attitude does not seem to be prevalent to any marked degree. It should be remembered that this spirit is not unknown in other countries, even in the United States.

When we consider some phases of production in the large, we find that at least there has been no retrogression in the efficiency of the complete productive process during recent years. In 1903 the value of manufactured products per head of the population was £16, 18s. In 1911

* Bulletin of the U. S. Bureau of Labor No. 56, p. 125.
† Official Year Book, 1913, p. 239.
‡ See *infra.*, p. 2246.
§ Aves, p. 113.

it was £11, 5s. The same trend obtains in individual industries. The following table illustrates this point in a general way. The basis of computation used is the actual output and not the monetary value. Although comparable figures were obtainable for only a few industries, they are indicative of the increased productivity of the individual worker. This is probably due both to the higher efficiency of the laborer, and to the better organization of the employer's methods. In any event it makes for prosperity. (Pages 2082-2083.)

Chapter VI. Summary and Conclusions.

It has been seen that the proportion borne by wages to the total cost of production varies considerably, being quite small in the food producing industries and amounting to over fifty per cent. in an industry like ship building. In some trades the raising of wages has increased directly the cost of production and hence the cost of the product to the consuming public. This has been true of the clothing trade, but it must be remembered that the rates paid in this industry were far below normal. In New Zealand the cost of mining coal was undoubtedly increased by an order compelling the payment of higher wages, but the price to the public was not raised because of the competition for sales. Here another factor must be considered, that of increasing efficiency. It was the opinion of the recent Cost of Living Commission of New Zealand that the conditions imposed by labor legislation had been a factor in stimulating the introduction of up-to-date machinery and improved methods. In Victoria, several brass, iron and woodworking establishments installed new machinery about the same time that wage determinations became effective. The same tendency has been observed in New South Wales. . . . Taking industry in its entirety, the combined efforts of employer and worker seem to be making for industrial efficiency. (Pages 2245-46.)

State Arbitration and the Minimum Wage in Australia. H. W. Macrosty. *Pol. Science Quarterly, March, 1903.*

The protection which the acts in Victoria have been to the workers is seen in the case of dungaree trousers, where the price paid by the wholesale houses to the manufacturers fell from 13s per dozen before 1897 to 7s 6d in 1899. Under free competition this loss would have fallen entirely on the workers; under the acts the manufacturers recoup themselves by better organization and improved methods, and where they raise the price to the warehouses the latter still retain an ample margin of profit without raising prices to the consumer. (Page 132.)

Report of the Massachusetts Commission on Minimum Wage Boards. 1912. House Document No. 1697.

It is the opinion of this commission, however, that in all these industries the wage scales will stand a readjustment of rates that will raise the lowest wages to something nearer the living wage, and that such changes will result in a proper demand for more efficiency in the labor, which will be met not only by giving preference to the better class of laborers, but by making the same women more serviceable because of more adequate living conditions. (Page 24.)

It (the legal minimum wage) would stimulate employers to develop the capacity and efficiency of the less competent workers in order that the wages might not be incommensurate with the services rendered.

It would accordingly tend to induce employers to keep together their trained workers and to avoid so far as possible seasonal fluctuations. (Page 25.)

Three employers interviewed stated that they have established in their factories, on their own initiative, a minimum wage, and this in the face of their competitors, who are paying the lowest wage they can. They all lay great stress on the added efficiency of the work, the advantage of permanency in the working force and the increased *esprit de corps.* These men have given con-

structive consideration to their labor problem. (Page 61.)

Massachusetts Minimum Wage Commission. Bulletin No. 3. August, 1914. Statement and Decree Concerning the Wages of Women in the Brush Industry in Massachusetts. Appendix No. 1. Extract from the report of the Brush Makers' Wage Board to the Minimum Wage Commission, March 17, 1914.

It is the belief of the board that the added wages which would come to workers through the application of a minimum wage would be a permanent and real addition because of their wealth-creating power, and would be of advantage to employer, employee, and the public.

The minimum wage does not abolish competition for employment or the freedom of the employer's choice. It transfers the emphasis from price to value. The employer is compelled to raise the level of efficiency of his people so as to get the best possible return from fixed conditions. The aggregate efficiency of a nation's business is promoted by insuring that the workpeople employed will be those most efficient, and those unemployed will be almost exclusively the least efficient. By barring an obvious but, from a broad point of view, most undesirable form of relief from the pressure of competition, the minimum wage compels the adoption of methods of lowering costs of production which lead to the elimination of waste and increase of productivity. It puts a premium on business skill, tends to the elimination of the incompetent employer, and stimulates the selection for the nation's business of the most efficient workmen, the best equipped employers, and the most advantageous form of industry. (Page 22.)

It is noteworthy that in many highly competitive businesses employers have voluntarily established minimum wages far in advance of their sharpest competitors, and no case is on record of their failure to prosper. It is impossible to draw positive conclusions from the testimony as yet available, but the wage board believes that

more weight has been given to a low pay roll than should be given it even under highly competitive conditions, and that a higher pay roll with increase of efficiency and increased regularity of work would undoubtedly be beneficial. (Page 23.)

National Conference on the Prevention of Destitution. London, 1912. Section, Unemployment and Industrial Regulation.

Mr. Sidney Webb:

Many people thought that an increase in price must follow a rise in wages. Well, in Melbourne the trade boards had raised wages, sometimes by 50 per cent. and 70 per cent. beyond what the women had been getting before, and he had satisfied himself that there was no increase in the price of the furnished article at all as a consequence of the rise in prices. Yet the employers were not bankrupt. The explanation was that when the higher wages had to be paid the industry was carried on in a more efficient way than when the employer paid low wages. For the increased wages they paid they saw to it that they got more efficient work. Thus the labor was not more expensive to the employer, although the workers received more. (Page 425.)

Hansard's Parliamentary Debates. Vol. 35. 1912.

Mr. Asquith:

On the one hand, in the minimum wage you have an incentive to the management to give to the individual miner, and, indeed, to all the persons employed underground, the fullest facilities to make the most of their time and of their energy, and, on the other hand, adequate safeguards to the employer and an incentive to the men not to take advantage of their slackness or default. That is the case, and I must say for myself and my colleagues, who carefully investigated the whole matter, it is an overwhelming case for the combination of these two principles. (Page 1728.)

Stimulus to Efficiency in Management.—Great Britain

The Trades Board Act at Work. S. C. Moore. *The Economic Journal, London, September, 1913.*

Owing to the higher wages now being paid to the men, greater efforts are made to keep them fully employed, with the result that there is less playing between jobs, and that the women's work is therefore more regular. Whether there has been increased strain or any other result of that kind cannot yet be determined. But so far shorter hours appear to be clear gain to both men and women. It would appear also to have been beneficial to employers, for if there has been no decrease in output they will have saved on power and lighting. (Page 444.)

2. Elimination of Lost Time in the Factory.

One of the results of the better organization of industries working under minimum wage decrees has been the reduction of "lost time" in the factory. Since under the decrees workers must be paid for the whole time that they are on the premises it has been found possible to provide a more regular flow of work and materials through the different departments. Instead of being kept waiting, unpaid, the workers are continuously supplied with materials.

The Labour Year Book, 1916. Co-operative Printing Society Ltd., London.

It remains to note certain bye-products of the Trade Board determinations. As minimum rates are to be paid "clear of all deductions," various fines and other such customary nibblings at workers' earnings became illegal. As, further, the workers under the Act are entitled to be paid wages for all time spent in the workshop, it is no longer profitable to allow them to "wait for work". Better industrial organization, which Trade Boards have everywhere induced, has secured greater continuity of employment. On the occasions when work is still not available, the women are free to leave the factory or workshop and spend their leisure as they please. (Pages 217-18.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

More common than such attention to the conditions of learnership has been a rearrangement of the work to be done. One obvious opening for ingenuity in the manufacture of clothing is the discovery of better methods of dividing and grouping different parts of the work. In any large tailoring factory work is much divided, and the garment may pass through as many as twenty or thirty

hands before it is completed. But there is no standard method of subdivision, and each firm determines the exact arrangement of processes in accordance with its own predilections. . . . More careful subdivision is perhaps, indeed a factor which partially accounts for the ability of employers paying relatively high wages to compete successfully with those paying relatively low wages. (Page 144.)

The manager of a large factory in the eastern counties states that, though wages have risen, the cost of production is unaltered, because the work is now arranged differently, and a larger output is obtained for the same wage bill. Another firm in the same district introduced a manager from Leeds. He found the factory divided into small sections, each under its own foreman, and within each of which the workers were specialised. Arguing that in a small factory such a degree of specialisation did not pay because the speed of working which it produced was more than counterbalanced by the overlapping between departments, he abolished the system of watertight compartments, trained the workers to several processes, and transferred certain operations from the finishers to the machinists. The result of these and other changes was that, without the piece-rates being advanced, the proportion of piece-workers earning less than the minimum time-rate was reduced from between 40 and 80 per cent. to between 5 and 10 per cent., and that their output for the same hours was estimated to have increased by about 30 per cent. The question of overlapping between departments, which is mentioned in this instance, is, indeed, a crucial one. Owing to the high degree of subdivision which obtains in a clothing factory, the workers engaged upon one process are dependent for work upon the workers engaged in another. If a business is well managed there is a regular flow of work through all departments, so that none are congested and none are without employment. But to arrange the work so that it shall go forward smoothly and without interruption requires careful organisation, and there is a constant tendency for one group of workers to be

overwhelmed with work while another group is slack. (Pages 146-147.)

The Trade Board, by giving as its opinion that piece-workers must earn at least 3¼d. per hour during the whole time that they are in the factory, whether they are actually working or not, has given just the impetus needed to induce hesitating employers to pay attention to tiresome details by which the overlapping between different departments can be prevented or minimised. The result is that there is less waiting for work, and that, on account of this, the same output can be produced in shorter hours, so that, when there is an unavoidable shortage of work in any department, the workers can go home instead of being detained in the factory without anything to do. "We have been steadily reducing the amount of time lost on every machine, with the result that we have increased the output and, if anything, reduced the cost of production." "The Act has not caused any speeding up, but has resulted in a careful investigation being made into the output of the workers. We were surprised to find that there was an average loss of one hour per day by all employees. This has since been diminished." "There is now more careful management and distribution of work, with the result that less time is lost." "There used to be a good deal of time wasted in clothing factories. The girls often were kept waiting for work for an hour or more. Now more attention is paid to management." "Before the Trade Boards Act the factory used to be kept open from 8 to 6, and the workers would not be fully employed all the time. Now the output has increased about 33 per cent., and the hours have been reduced from 9 to 5, as, if the factory had to be closed for a few half-days owing to slackness, some of the girls would leave to go somewhere where there was more work." Such statements on the part of manufacturers show that the anticipation that the minimum rates would lead to more careful organisation has been justified. On the other hand, the change obviously means not only higher earnings, but more continuous work at higher pressure, though sometimes during shorter hours, for the

girls. On the whole, in spite of the complaints of inhuman speeding up, they seem to prefer the new regime to the old, and emphasise particularly the advantage of not being kept waiting for work. (Pages 147-148.)

The Establishment of Legal Minimum Rates in the Box Making Industry Under the Trade Boards Act of 1909. The Ratan Tata Foundation (University of London). M. E. BULKLEY. *With Introduction by* R. H. TAWNEY. *Bell, London, 1915.*

The Effect on the Conditions of Labour.

Apart from the increase in wages brought about by the Trade Board's determination, the conditions of employment have been indirectly affected. In a few cases the hours have been shortened. In a London firm, for instance, the hours were reduced from 55 to 52, and in a firm in the west of England, in which the hours of male workers had previously been 56½, they were cut down to 50, in order to lessen the increase in the wages bill which would otherwise have been necessary. More commonly the nominal working hours have been unchanged, but the work has been reorganized so that there is less waste of time.

It will be remembered that in the tailoring industry, since the Trade Board laid down that the workers must be paid not less than the minimum time-rate for the whole period during which they are in the factory, whether actually working or not, firms have been led to devise means to obviate loss of time, and the same result is to be observed in the boxmaking trade. There is still a good deal of wasted time when orders come in irregularly, as, for instance, at Nottingham, but elsewhere lost time is avoided either by better organisation or by making to stock when orders are slack. "In the majority of factories," said a worker in a west England town, "the work has been reorganized; there used to be no limit to waiting, now there is no waste of time at all; instead of the girls waiting for work they make to stock." (Pages 41-42.)

Elimination of Lost Time.—Great Britain

Lost time may be due not only to defective organisation on the part of the employer, but to unpunctuality on the part of the worker. A striking instance of this is afforded by a firm in a small provincial town where the custom formerly was for the girls to work in teams, the machinist, who was paid by piece, paying what she thought fit to the girls who assisted her. So long as this system continued the firm did not trouble themselves if the machinists were late and the other girls consequently had to wait for work. When, however, the firm had to pay these girls the minimum rate, which meant a considerable advance in wages, they took more care to keep them fully employed and insisted on greater punctuality. This stricter supervision seems to have been a frequent result of the establishment of a minimum wage (though in some cases, particularly in districts where, owing to the great demand for female labour, it is more difficult to enforce strict discipline, the girls are still allowed to come in when they like). "Formerly," said a worker, "we used to go in and out as we pleased; now the firm is more particular." "There is better discipline now," said an employer, "we don't leave the hands to themselves. The forewoman is everywhere. Formerly the girls came in at all hours, *e. g.*, 2 p. m. on Mondays. Now they are forced to be regular in their attendance." "We have put a time recorder in," said another employer; "this showed up a distinct and unexpected average loss of over one hour per day per worker." "When the girls came at eight o'clock," said the employer who had reduced his hours from 55 to 52 per week, "they gossiped a great deal and did not really start work until 8.30. Now they come at 8.30 and begin at once; they do quite as much work in 52 hours as they previously did in 55." "Before the Act," said a worker, "the master did not trouble what a piece worker earned. Now he goes round and notes any who do not earn the minimum and asks the reason; if they have been ill, he says nothing, but if they have been slack, they are told they must work harder." (Pages 43-44.)

Elimination of Lost Time.—Great Britain

The Effect of Minimum Wage Legislation Upon British Industry. B. Seebohm Rowntree (*Director in the Firm of Rowntree and Co., Ltd., Manufacturers of Cocoa*). *Financial Review of Reviews, London, July, 1914.*

The average employer is no more doing his very best than the average piece worker is working at the top of his strength. Each can do a little more if circumstances compel him to do so. And the employer who suddenly finds himself faced by some new conditions which threaten him with loss, will, as a rule, be able to find ways by which at any rate part of it can be obviated. I was recently told of an employer in the paper-box trade who, compelled by the determination of the Trade Board to face a large increase in his wage bill, made a close examination of the organisation of work in his factory. He found that often workers were kept waiting and that the loss from this waste of time which previously had fallen upon them now fell on him. By a little rearrangement he was able entirely to remove this cause of loss. (Pages 781-782.)

(b) ON THE PART OF THE WORKERS.

The facts previously set forth as to the stimulus to the efficiency of the workers resulting from higher wages* is borne out by the experience of those trades in which a legal minimum wage has been set. Owing to the improved health and vigor of the workers it has led directly to increased output.

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

In spite of the short time that the minimum rates have been in operation, the suggestion that an advance in wages reacts favourably on the efficiency of the workers is, at any rate partially, confirmed by the results of the Tailoring Trade Board. It seems to be a not uncommon experience that an increase in output has followed the establishment of minimum rates, though we are not in a position to say how general it has been. "The girls," said the foreman of a works, "do 33 per cent. more work than before." "Now that the wages have been raised," said another, "it has encouraged the girls to do more. We turn out with 85 workers as much as we previously produced with 100." "The general thing," said the manager of a factory employing 550 workers, "is for the girls to do more work in the same time since the rates came into force. This compensates us for the advance in wages." (Page 121.)

"If anything," stated a manufacturer, "there has been a decrease in the cost of production. The Act has caused an increased output per machine, has increased the steadiness of work, and has diminished the time lost." "The Trade Board rates," said another, "have increased the output per machine, to exactly what extent it is as yet impossible to say." "We get more out of our machines than we did prior to the Act." "The output has been increased owing to the increased earning power of the lower grade of workers." "The Act has

* See page 484.

not raised prices or the cost of production; indeed the latter has probably been slightly lowered." Statements such as these may be supplemented by the figures of some wage sheets which we have been allowed to examine. What they show is that the weekly earnings of the workers have, at any rate in some instances, increased more than in proportion to the increase in piece-rates paid to them. In these cases it seems not unfair to conclude that the output per worker has increased, and that to that extent the cost of higher wages has come neither out of prices nor out of profits. (Pages 121-122-123.)

The suggestion that an advance in piece-rates would react favorably upon the efficiency of the workers was one which a considerable number of employers were disposed at first to dismiss. A view which frequently occurs in the "objections" submitted by them was that the workers did not want to earn more than a low weekly wage, and that the effect of raising the piece-rates would merely be that they would produce less work. The arguments used in support of this opinion were various—that the workers were girls living at home, that they were married women and widows, that they were supported from other sources, and that for these reasons they did not need more than a comparatively low weekly wage. (Pages 124-125.)

We have quoted these forecasts of the effect of a rise in wages because they suggest some of the reasons which cause low wages to be accompanied by low efficiency, and show by contrasts how it is that an advance in the piece-rates has been accompanied by an advance in output. The onus of the arguments used rests on the assumption that women workers, because they are women, are satisfied with a low fixed standard. That this statement represents faithfully the experience of certain manufacturers is undeniable. On the other hand, it was contradicted confidently by others. (Page 125.)

Much is often said of the danger of "discouraging enterprise" on the part of those directing industry. But it is not always sufficiently realized that the enterprise of the worker is equally essential, and that the enter-

prise of the workers is effectually discouraged by such a policy. (Page 127.)

Against the doctrine put forward by certain (though by no means all) southern employers, that workers in their districts differ from those in the north in having a low fixed standard of living, and not "wanting", therefore, more than a certain wage, must be set the statements of other southern manufacturers, and the experience of those north-country firms which have factories in the south and which are therefore in a position to compare the relative efficiency of northern and southern workers. "I established a factory in the south of England," stated a Yorkshire manufacturer to us, "and therefore had an opportunity of discovering whether it was true that the industry was handicapped in the south by inefficient labour. I found that the girls there were just as good workers as in the north, provided they were properly paid. . . . The manufacturers in——are beaten because they pay low wages." "Higher wages," stated another manufacturer in a similar position, "certainly pay us. We let the girls fix the piece-prices for different kinds of work for themselves, and hardly ever pay less than they ask. To be well paid gives the workers dignity and self-respect. They take more pride in and care of themselves. They think they are worth more, and therefore they are worth more. And this evidence is confirmed by the experience of several firms since the establishment of minimum rates by the Trade Board. The increased output which has followed its determination is due, as we shall show later, to other factors besides the increased efficiency of better-paid workers; but that it is due to some extent to that cause there is no doubt whatever. "There was a rise of about 25 per cent. in the finishers' piece-rates," stated a large manufacturer, "in order to bring them up to the minimum. But when the new rates were introduced, the girls earned easily considerably more than the minimum." "Piece-rates have been raised," said another, "on every class of work, and the result of raising them has been to encourage the girls to do more work. Naturally so, for they work more cheerfully. They come to be paid with

very different countenances from what they used to have." "The Trade Board," said the manager of a large firm, "has made 80 to 90 per cent. of the girls more thrifty. You cannot expect a girl who is paid from 8s. to 10s. a week to do much work. Since the rates came into force, the general thing is for the girls to do more work in the same time. Once they have earned the minimum, and felt what it is like to have more money to spend, they go ahead and don't fall back." "Output per head has increased," said another; "as a general rule the girls work better if they are paid more." Indeed, the psychological effect of relatively high and relatively low rates on the workers would appear to be exactly the reverse of that often ascribed to them. So far from low rates "making them work," they often produce listlessness and despair. So far from high rates "encouraging slackness", they stimulate the workers to earn as much as possible while at work upon them. (Pages 131-132-133.)

The Establishment of Legal Minimum Rates in the Box-making Industry Under the Trade Boards Act of 1909. M. E. Bulkley. *With Introduction by* R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

Everywhere the masters were complaining of the difficulty of obtaining sufficient workers, particularly those with experience, and this difficulty was felt especially in towns where there were many alternative employments for women and girls. . . . As to the efficiency of the workers, the Trade Board was of opinion that this depended far more on the nature of the management of the business than on the size of the town. It cannot be denied that, generally speaking, the standard of efficiency is lower in the south and southeast, *i. e.*, in the districts where wages are relatively low, than in the north, where wages are relatively high. But what the protesting employers did not realize was that inefficiency was a necessary concomitant of low wages and that so long as

wages continued at a low level no great efficiency would be attained.* (Page 17.)

Biennial Report of the Washington Industrial Welfare Commission. 1913-1915.

A garment manufacturer of Seattle, a man whose products come into direct competition with the sweatshop labor of New York and Chicago, and a man, too, who was quite strongly opposed to minimum wage legislation prior to its enactment . . . indicates his approval of the law after a fair trial and reflects the general sentiment among that class of employers that realizes the rights and interests of its employes:

"Personally, I find that my business has been benefited, as the necessity for greater discipline and more rigid enforcement of regular hours of work has become fully apparent. We have raised our average weekly pay roll, I think I am safe in saying, at least $1.00 per girl, if not more. Some of our help, to be sure, have always done their best and have shown but little change, but those who were satisfied with less, the minimum wage has benefited, as they saw they must earn more or quit.

"I am writing you this personal letter about my personal experience in an individual case. It has been a benefit in this factory in raising the standard of efficiency and in forcing a closer application to duty on the part of the operator and necessarily has been a benefit to the employer. I am not in a position to speak for other factories and industries, but, aside from some hardship that the law may work on the less competent, I cannot see why it will not give a greater efficiency to our factory forces." (Pages 14-15.)

* One employer actually urged the fact that "inefficiency and poverty are twin sisters" as a reason for fixing a lower minimum rate. He produced information showing that, out of eight piece-workers (over eighteen years of age) who earned least in one department, their earnings ranging from 7s. 11d. to 10s. 4d., no less than six came from poor homes and had to assist in maintaining aged or invalid parents. Thus, he pointed out, the workers who needed the work most were those who were worth least, and they would have to be dismissed if a minimum of 3d. an hour was fixed. The other side of the question, that these girls were inefficient because their earnings were so low that they could not possibly secure the minimum necessary for physical health, apparently did not occur to him.

Stimulus to Efficiency of Workers.—Australasia

"I didn't know, until the minimum wage went into effect, that it paid to employ higher priced women workers," the manager of a ten-cent store told a member of the Commission, "but it does. They take more interest in their work, take better care of our goods, are more capable, more efficient, more satisfactory in every way" —and these short sentences tell practically the whole story of the effect of the minimum wage. (Page 16.)

Fourth Report of the New York State Factory Investigating Commission. Vol. IV. Appendix VIII. 1915. Minimum Wage Legislation in Australasia. Chap. I. Victoria.

It has frequently been contended that labor under a system of state prescribed minimums will tend to lose the stimulus to progressive improvement. And the contrary of this proposition has been no less assertively stated by the champions of state action. . . . No conclusive information can be given, but it will be worth while to notice some of the aspects of this question. (Pages 1912-1913.)

To an inquiry made of twenty-three representative Victorian employers in 1908, about half held the opinion that no appreciable effect had resulted from the operation of the special boards. The remainder deemed the board system to have strengthened what was perhaps the normal tendency of the times. But no one ventured to say that the board system had tended to reduce the efficiency of the individual employee.*

Statistics are not available to prove or disprove what influence the special board system has had upon the individual efficiency of employees. Still, it is interesting to notice the conditions in eight representative board trades for which figures can be secured (Table No. 18). This table is not based upon the value of output, but upon the quantities of certain standard articles manufactured.

It will be seen that there has been a general increase in the average output per worker of at least 15 per cent.,

* Aves, p. 53.

the lowest variation being 3.7 per cent. in the bacon curing industry.

It should be noted that there has been a falling off in the number of cigars and cigarettes turned out but this is more than balanced by the increased manufacture of cut tobaccos. Upon the whole, it will be seen that in these representative trades employing over 16,000 persons, there has been an increase in the output for each individual engaged. Inasmuch as all of these industries are under board determinations, it cannot be claimed that the board system has seriously reduced the productive capacity of the employees.

In considering the general subject of working efficiency it should be remembered that there has been a constant expansion and specialization of manufacturing processes. The value of the total output per unit of population increased from £24.23 in 1907 to £31.62 in 1911.* From 1904 to 1912 the value of the total output for the state almost doubled, increasing from £23,126,180 to £45,410,773. Much and probably all of this growth would have taken place had there been no labor legislation. But the important fact to notice is that there has been no retrogression. It is of no consequence to contend that mechanical devices have largely brought about the increased efficiency for this is nearly always the case. The important question is whether the legal fixation of wages has caused a speedier adoption of new inventions and better methods than would otherwise have occurred; whether or no the individual employee has become more efficient in the performance of his task. So far the answer to this question seems to be in the affirmative, as the following statement addressed by Mr. Murphy to this Commission tersely indicates:

"To answer your question generally, I think it can be truthfully said that the efficiency of the workers all round is distinctly higher under the minimum wage than it was before."† (Pages 1913-14.)

* Official Year Book of the Commonwealth of Australia, No. 5, p. 1154.

† Appendix III, p. 64 of the Third Report of the N. Y. State Factory Investigating Commission.

TABLE No. 18.

Average Unit Output per Worker in Selected Industries.

Industries	In 1900			In 1912			Increase over 1900	
	Number of workers	Total unit output	Average unit output	Number of workers	Total unit output	Average unit output	Average unit output	Average Per cent.
Bricks	1,432	85,387,275 No.	59,628	2,149	180,724,160 No.	84,096	24,468	41.0
Bacon curing	288	10,267,778 lbs.	35,652	434	16,044,228 lbs.	36,968	1,316	3.7
Butter*	1,400	51,348,839 lbs.	36,677	1,443	64,399,057 lbs.	44,628	7,951	21.6
Flour	733	169,739 tons	231	845	225,376 tons	266	35	15.1
Breweries	1,002	16,162,550 gals.	16,130	1,008	20,247,337 gals.	20,086	3,956	24.5
		1,723,030 lbs.	1,301	.....	5,642,349 lbs.	3,155	1,854	142.5
Tobacco†	1,324	122,595,147 No.	92,594	1,788	120,734,351 No.	61,932	—30,662	—33.1
		2,567,387 yds.	2,085	.....	5,618,098 yds.	3,360	1,275	61.2
Woolens‡	1,231	59,840 pr.	48	1,672	280,113 pr.	167	119	247.9
Boots	5,655	3,513,549 pr.	621	6,774	5,187,384 pr.	766	145	23.3

* Butter and cheese only.
† Cigars and cigarettes.
‡ Blankets, shawls and rugs.
Statistics for 1900, taken from the Victorian Year Book, 1904, pp. 563-572, 587-600.
Statistics for 1912, taken from the Victorian Year Book, 1912-1913, pp. 746, 779-793.

(Page 1915)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

If the employer cannot go below a common minimum rate, and is unable to grade the other conditions of employment down to the level of the lowest and most necessitous wage-earner in his establishment, he is economically impelled to do his utmost to raise the level of efficiency of his workers, so as to get the best possible return for the fixed conditions.

. . . It is clear that the aggregate efficiency of the nation's industry is promoted by every situation being filled by the best available candidate. If the old man is engaged instead of the man in the prime of life, because he can be hired at a lower rate, the man of irregular habits rather than the steady worker, because the former is prepared to take smaller wages, there is a clear loss all round. From the point of view of the economist, concerned to secure the highest efficiency of the national industry, it must be counted to the credit of the Legal Minimum Wage that it compels the employer, in his choice of men to fill vacancies, seeing that he cannot get a "cheap hand", for the price that he has to pay, to be always striving to exact greater strength and skill, a higher standard of sobriety and regular attendance, and a superior capacity for responsibility and initiative. This is exactly what has happened in Victoria under the Minimum Wage Law, as it has happened in Great Britain where a definitely fixed minimum has been substituted for the irregular competitive rates. (Page 8.)

The fact that the employer's mind—no longer able to seek profit by "nibbling" at wages—is constantly intent on getting the best possible workmen, silently and imperceptibly reacts on the wage-earners. The young workman, knowing that he cannot secure a preference for employment by offering to put up with worse conditions than the standard, seeks to commend himself by a good character, technical skill, and general intelligence. Under a Legal Minimum Wage there is secured what under perfectly free competition is not secured, not only a con-

stant selection of the most efficient, but also a positive stimulus to the whole class to become more and more efficient. (Pages 8-9.)

Thus, the probable effect of a Legal Minimum Wage on the organization of industry, like its effect on the manual laborer and the brain working manager or entrepreneur, is all in the direction of increasing efficiency. Its effect on the personal character of the operative is in the right direction. It in no way abolishes competition or lessens its intensity. What it does is perpetually to stimulate the selection, for the nation's business, of the most efficient workmen, the best equipped employers, and the most advantageous forms of industry. (Page 13.)

British Sessional Papers. Vol. XIV. 1913. Special Report from the Select Committee on the Trade Boards Act Provisional Orders Bill. Minutes of Evidence.

Mr. G. Stapylton Barnes, Secretary to the Board of Trade:

722.—I will ask you one preliminary question which covers all: In your experience of Trade Boards already in operation what has been the percentage of increase of wages?—The largest increase is probably in connection with the Chain Board. The Chain Board was established to deal with an industry which was extremely badly paid. . . . on an average, so far as we know, the wage worked out at a rate between 1¼d. and 1½d. an hour. The Chain Board in that case fixed a minimum wage of 2½d. an hour, which, in the estimate of some people, was an advance of 60 per cent., and in the estimate of other people an advance of 100 per cent. The satisfactory part now is that we are told that the employers are voluntarily paying more than the minimum rate. They have offered to pay more than the minimum rate in order to keep their workpeople together, and I think the fair inference from that offer is that the employers are doing well. One reason in the estimate of some people why they are doing well is that the efficiency of the labour has really in-

creased owing to the increased wage. Women were not able to do proper work before because they were insufficiently fed. (Pages 51-52.)

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London). Bell, London, 1914.*

. . . The chain-making industry differs very markedly from two others in which Trade Boards were set up under the Act of 1909, namely, the Wholesale and Ready-Made Bespoke Clothing Trade and the Manufacture of Card-Board, Paper and Chip Boxes. In both those industries, as will be shown in subsequent studies, that aspect of the "economy of high wages", which consists in the effect of an advance in wages upon management, has been conspicuous. (Pages 108-109.)

Though, for the reasons given above, the opportunities for introducing improvements in the process of manufacture are not so numerous as in most factory industries, there are signs that even in the chain-making industry the rise in wages has, as usual, let loose forces making for economies in production. In the first place, the establishment of minimum rates appears to have a distinct effect on the quality of the chain produced. That the low rates paid resulted in inferior work has long been a commonplace. . . . That an improvement in the quality of the chain made would be one effect of setting up the Chain Trade Board was foretold before it was actually established. "I am informed by the Honorary Secretary of the Chainmakers' Association," said a speaker in the House of Commons, when the Trade Boards Bill was under consideration, "that every one of the good employers agrees that this trade should be placed in the schedule of this bill. They say that not only is sweating bad for the employees who receive such miserable wages, but also that it is fatal to the reputation of the trade itself. Only last Saturday I was speaking to the ex-mayor of Dudley, who gave me a concrete

case illustrating this phase of the question. He told me that only a few months ago he was in Canada . . . and when in one of the shipping yards he saw a quantity of chain. He referred to the fact that he was then mayor of Dudley, near Cradley. 'Oh,' said the gentleman to whom he was speaking, 'you know Cradley, do you? All I can say is, we shall have no more chain from Cradley, as the last lot we had was such shoddy stuff that it broke like single wire.' The hope and expectation which the good employers have as to the ultimate effect of this bill is that it will prevent this shoddy manufacture of chain which is being sent abroad to the detriment of the good name of the trade." That this anticipation has to a considerable extent been realized is proved by the evidence both of employers and of workers. The reason is two-fold. On the one hand, since a higher piece rate has to be paid for making the chain, employers insist, as far as they can, on having a better quality which will fetch a better price. (Pages 110-112.)

On the other hand, since the rates have been raised, the workers are no longer obliged to work with the same frantic speed as before in order to make a pittance. They tend, therefore, to work more slowly, and because they work more slowly, to produce better chain.

"Workers," said an employer, "who were earning 5s. a week were quite heedless of the quality of the work done, as the low prices made it necessary to them to work at the highest pressure. Now that they get 11s., they take more pride in their work." "There is certainly a tendency," stated another, "to improve the quality of the chain made. . . . When there was no minimum, the master could say to the workers, 'Quality does not matter; sweat it down as you can.' Now employers demand a better quality of chain." "Formerly," said a shop-owner, "the workers had to work long hours and to rush the work. Now they can make it better because they go more slowly. At the same time employers are trying to get a better class of chain in return for the Trade Board prices. They are really raising the quality of the chain so far as the Trade Board's defini-

tion is concerned." "The rates," said a chainmaker, "used to be so low that the worker had no time to put in good work. Slap chain (the poorest quality) used to be made one-two-three-down! It was exported under false certificates, stating it to be of good quality, 'slap' chain going as 'best'; which in time would have lost us our foreign markets. Now that the rates have been raised, the employers pick the workers more carefully, and won't let them make the chain so fast. Besides, now that the rates are higher, they can afford to work more slowly."

That bad wages produce bad work is an experience as common as it is habitually disregarded, and it is not surprising that with the advance in the prices paid the quality of the chain should have improved. The fact that it has done so suggests that the minimum rate is not likely to stand at any one level for a very long time together. Processes change, and improvements are introduced, and as they are introduced it is natural that an advance in wages should be demanded at the same time. (Pages 112-113.)

Minimum Wage Boards. Florence Kelley, *General Secretary, National Consumers' League. Proceedings of the National Conference of Charities and Corrections, Cleveland, 1912.*

What of the workers whose work is not worth a minimum wage? The compulsory minimum compels the employer to increase in every possible way the efficiency of every worker, in order to make him worth his wage In Victoria, for instance, it is specifically provided that the wage of an employee shall not be less than that which is paid by a reputable concern to an average employee. This spurs the employer to select carefully every person taken on. It spurs the lazy to earn the wage. There is, however, a provision under which incompetent, untrained beginners and aging workers, the deaf, the slow and persons otherwise handicapped may receive a reduced rate specifically prescribed after careful investigation by the

wages boards. But all such workers must be registered, and the number allotted to one establishment is rigidly fixed. This prevents the accumulation in one place of hundreds of unskilled young girls, such as we commonly see in American paper box factories, whose sole recommendation is that they accept a low wage; who learn nothing and make no improvement either for themselves or their industry with the passage of time. (Page 9.)

Third Report of the New York State Factory Investigating Commission, 1914. Appendix 3. Minimum Wage Legislation.

The following list of questions concerning the operation of the minimum wage law in Victoria was sent by the New York Factory Investigating Commission to the office of the Chief Factory Inspector at Melbourne: . . .

Fourth. "Do they [such laws] result in decreasing efficiency?"

In response the following statement was received: (Page 228.)

"My own opinion is that the fixing of a standard wage increases efficiency generally, from the fact that the employer demands in return a standard degree of efficiency. It is true that some of the unions have endeavored to restrict the output, and have in some cases gone so far as to strike for the purpose of enforcing their demands. They have invariably failed. . . . To answer your question generally, I think it can be truthfully said that the efficiency of the workers all round is distinctly higher under the minimum wage than it was before." (Pages 229-230.)

The following list of questions concerning the operation of the minimum wage law in England was sent by the New York Factory Investigating Commission to the office of the Board of Trade at London: . . .

Fourth. "Do they [such laws] result in decreasing efficiency?"

. . . In response the following statement was received: (Page 243.)

"(4) There is no evidence in the possession of the

board to show that the efficiency of workers has been reduced as a result of the fixing of minimum rates of wages. On the contrary, there are indications that in many cases the efficiency of the workers has been increased. The fixing of minimum rates has also resulted in better organization among the employers and in improvements in the equipment and organization of their factories." (Page 244.)

Report of Chief Inspector of Factories of Victoria, 1900. Special Boards.

It is therefore of the utmost importance to the employer that the employee shall be able to earn the wage fixed by the Board. The employee is compelled to do his best to improve in his work by the knowledge that he cannot obtain employment if he cannot earn the legal wage fixed for a person of his experience. The interests of both employer and employee are therefore strongly in favor of the employee increasing in skill and knowledge as he increases in experience. As the time draws near for the compulsory increase in wage, the employer or his agent will urge the employee to renewed efforts at improvement, and the employee has the knowledge that failure to do so will lead to dismissal. The lad who is not suited to the trade, or who is lazy or careless, is soon eliminated under such a system, instead of remaining for some years at a small wage, and then having to leave to swell the great army of unskilled or half-skilled workers. The natural result will be an improved class of workers who will be a credit to their employers, the trade, and the State. (Page 12.)

Ibid. 1902.

In my report for the year 1900 I brought under notice the beneficial effect of the Determinations of Special Boards on the training of juvenile labor in factories. The experience of the past two years has convinced me that my conclusions in this respect then published were correct.

Under the Determinations, apprentices and improvers must year by year receive an increased wage, until finally they are entitled to the minimum wage fixed for skilled workers. For instance, the Clothing Board fixed the following scale for male improvers:

1st month's experience at the trade	2s	6d	per wk.	of	48 hrs.
Next 11 months' experience	10s	6d	per wk.	of	48 hrs.
2nd year's experience	12s	6d	per wk.	of	48 hrs.
3rd year's experience	15s		per wk.	of	48 hrs.
4th year's experience	17s	6d	per wk.	of	48 hrs.
5th year's experience	25s		per wk.	of	48 hrs.
6th year's experience	30s		per wk.	of	48 hrs.
7th year's experience	35s		per wk.	of	48 hrs.

And thereafter 11¼d per hour, or £2 5s per wk. of 48 hrs.

Each year, under these circumstances, it becomes very necessary to the employer to see that the improver is worth the increased wage; the improver is soon informed, if he is at all careless or indifferent as to his work, that he will be discharged when his increase becomes legally due if he does not attend to his work, and fully qualify himself to earn the higher wages.

The effect is that year by year the improver's skill and experience increases, and at the expiration of the seven years, in many cases before that time, he is able to earn and receive the minimum wage. (Page 13.)

(4) Benefit to Wages.

Statistics prove that the establishment of a legal minimum wage has resulted in increased wages, especially to the worst paid workers.

Thus the investigation made by the federal government into the effects of the minimum wage decrees in Oregon showed that the average weekly earnings of women employed in Portland retail stores increased ten per cent. during 1914, as compared with 1913.

Investigation in Australia proves that while the cost of living has been increased as well as wages, there is no evidence to prove that the higher cost of living is due to the increase in earnings. Moreover, wages have risen more than the cost of living, so that the net result has enabled the workers to establish a higher standard of living.

A Living Wage By Legislation. The Oregon Experience. Rev. Edwin V. O'Hara, *Chairman, Industrial Welfare Commission of Oregon. State Printing Department, Salem, 1916.*

The Oregon wage rulings have now been in effect two years, and when proper deductions are made for the financial depression through which we have been passing, the general tendencies of the legislation should be apparent. Fortunately, a painstaking investigation was undertaken jointly by the Federal Industrial Relations Commission and the U. S. Department of Labor concerning the effect of minimum wage determinations in Oregon, especially in the mercantile industry. The report of this investigation was published as Bulletin 176 of the U. S. Bureau of Labor Statistics, July, 1915. The investigators examined the records of forty department, dry-goods, five and ten cent, specialty and neighborhood stores for March and April, 1913, and the same months

of 1914—periods ending five months before and beginning five months after the first minimum wage determinations went into effect. It was confidently predicted that the wage rulings would supplant female labor by male labor; that the higher paid employes would be reduced in wages and that the average wage would not be increased. The investigators report on these points as follows: . . .

Average weekly earnings increased ten per cent. for the total number of women employed in 1914. And this, it will be observed at a time of financial depression when a ten per cent. cut in wages would have occurred except for the wage rulings. (Pages XV-XVI.)

United States Bureau of Labor Statistics. No. 176. Women in Industry Series. No. 6. July, 1915. Effect of Minimum Wage Determinations in Oregon.

The rates of pay for women as a whole have increased. Wherever the wage rates of old employees have been changed since the minimum-wage rulings, the employees were benefited. Some women, upon reinstatement after an absence, were compelled to accept the rate to which they were legally entitled, although it was below that received during their earlier service. The average rates of pay of girls under 18 and of experienced adults have increased; that of inexperienced adults decreased very slightly. While formerly 26 per cent. of the girls under 18 received a rate of less than $6 a week, after the determinations less than 1 per cent. were paid below this rate. More girls under 18 years received over $6 a week after than before the minimum-wage determinations. Among the experienced women not only the proportion getting $9.25 (the legal minimum), but also the proportion getting over $9.25 has increased. The proportion of the force receiving over $12 has also increased, although the actual number has decreased. Some experienced women were receiving rates below the minimum to which the determinations entitled them. (Page 9.)

Rates of Pay Before and After Minimum-Wage Determinations.

All Female Employees.

The minimum-wage determinations aim directly at the rates of pay; here, then, their effect ought to be readily measured. As elsewhere stated, no woman or girl can now be employed in Oregon at a rate less than $6 per week. No woman 18 years of age or over who has been employed more than one year in a store occupation can be employed for less than $9.25 per week in Portland or for less than $8.25 per week in other parts of the State in the same occupation.

In the period covered in 1913 approximately 50 per cent. of the women employed in Portland and Salem stores received a rate of $9.25 or more. The minimum-wage determinations, therefore, legally applied to not more than half the female labor force in retail stores in these cities.

Table 4, which follows, permits a comparison of the rates before and after the minimum-wage determinations, with special reference to the rates fixed thereby. The table relates to inexperienced and experienced adults as well as to those under 18. (Page 17.)

TABLE 4.

Number and Per Cent. of Women and Girls whose Weekly Rates of Pay Before and After the Minimum-Wage Determinations were Under, Equal To, or Over the Minimum Rates Fixed, as Shown by the Pay Rolls of 33 Portland and 7 Salem Retail Stores.

[For girls under 18 and inexperienced adult women of 18 and over the minimum wage is $6; for adult women with more than 1 year of experience it is $9.25 in Portland and $8.25 in other parts of the State.]

Type of store.	Women whose weekly rates of pay were within each classified amount.										Total number.	Average rate of pay per week.
	Under $6		$6		Over $6 and under $9.23 [1]		$9.23 [1] or $9.25		Over $9.25			
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.		
PORTLAND.												
Department, dry-goods, and 5 and 10 cent stores:												
Before determinations..	142	8.7	250	15.3	496	30.4	147	9.0	597	36.6	1,632	$9.69
After determinations...	3	.2	270	19.8	190	13.9	338	24.8	564	41.3 [2]	1,365	10.15
Specialty stores:												
Before determinations..	.....	.....	1	.6	[3] 21	12.6	5	3.0	140	83.8	167	12.68
After determinations...	.....	.....	4	2.2	[3] 20	11.0	18	9.9	139	76.8	181	12.11
Neighborhood stores:												
Before determinations..	1	2.9	2	5.9	[4] 16	47.1	3	8.8	12	35.3	34	9.54
After determinations...	1	5.0	.....	.....	[4] 5	25.0	7	35.0	7	35.0	20	10.28
Total:												
Before determinations.....	143	7.8	253	13.8	533	29.1	155	8.5	749	40.9	1,833	9.96
After determinations.....	4	.3	274	17.5	215	13.7	363	23.2	710	45.3 [2]	1,566	10.38
SALEM.												
Dry-goods, specialty, and 5 and 10 cent stores:												
Before determinations..	8	8.2	1	1.0	[5] 47	48.5	7	7.2	34	35.1	97	9.23
After determinations...	.....	.....	11	11.5	40	41.7	10	10.4	35	36.5	96	9.47
Grand total:												
Before determinations.....	151	7.8	254	13.2	580	30.1	162	8.4	783	40.6	1,930	9.92
After determinations.....	4	.2	285	17.1	255	15.3	373	22.4	745	44.8 [2]	1,662	10.33

[1] Firms fixing wages on a monthly basis pay a minimum of $40 per month, which is equivalent to $9.23 per working week; this rate was accepted by the commission as complying with the determination of $9.25 a week.

[2] Including 20 women whose regular employment began with the opening of a new department on the last day of the period covered in the investigation.

[3] Including 8 women who received in addition to the weekly rate a 2 per cent commission on all sales.

[4] Including 2 women who received in addition to the weekly rate a 1 per cent commission on all sales.

[5] There were 19 women before and 6 women after the minimum-wage determinations receiving over $6 but under $8.25.

Any rate lower than $6 a week was practically abolished in the 40 stores after these determinations went into effect. The per cent. receiving $6 was slightly increased and the per cent. receiving $9.25* (the legal minimum for experienced adults in Portland) was increased from 8.4 per cent. to 22.4 per cent. The per cent. of the force receiving over $9.25 per week was increased from 40.6 per cent. to 44.8 per cent. The average rate of pay for all women employed in the 40 stores increased 41 cents per week in 1914, or from $9.92 to $10.33 per week. As a whole, therefore, the rates of the women employed in these 40 stores have been materially increased since the wage rulings. The only decrease shown in any group of establishments occurred in the specialty stores, the stores paying rates that were out of the reach of the law save in a few instances. This decrease of the average rate from $12.68 to $12.11 per week was not caused by a general reduction of rates of pay for old employees; rather it was due to a taking on of additional help at the legal rates of $6 and $9.25, rates slightly lower than the rates formerly paid to women entering the stores for the first time. (Page 19.)

About 28 per cent. of the experienced adult women employed in Portland stores received less than $9.25 per week before the minimum-wage determinations; 60 per cent. received more than that amount. . . . After the rulings had gone into effect there were 102, or 9 per cent. of the total number, who were still receiving less than the legal minimum.† The numbers receiving $9.25 per week had increased from 12 per cent. to about 30 per cent. of the total number, while the per cent. getting more

* A monthly rate of $40, equivalent to $9.23 a week, was regarded by the commission as a compliance with the determinations.

† Owing to the fact that the constitutionality of the minimum-wage law was under consideration by the State supreme court, some merchants were slow in complying with the law. There were evidences that the number of violations were decreasing. The State commissioner of labor statistics and inspector of factories and workshops is responsible for the enforcement of these decisions. A fine or imprisonment, or both, can be imposed for violations and the girl discriminated against may collect all back wages due her. No prosecutions against retail store merchants for violations of the minimum-wage determination were recorded by this bureau in its biennial report for the period ending Sept. 30, 1914.

than $9.25 remained substantially the same. The average rate of pay for experienced adult women in Portland was increased 23 cents per week, or from $11.74 to $11.97. (Pages 22-23.)

Average Weekly Earnings Before and After Minimum-Wage Determinations.

More important to the wage-earning woman than her rate of pay is the amount of money she actually earns. Her rate may be high, and yet if her employment is not steady, if she is asked to lay off one day a week, or if she is frequently ill, her earnings may fall below the wage determined by the commission to be the minimum required for healthful living. No attempt was made in this study to determine the causes of absences.* How many hours she worked and how much money she received for her services in two normal months before and after the minimum-wage determinations were among the more important objects of this study.

The average weekly earnings and hours of labor before and after the minimum-wage determinations, with per cent. of increase or decrease after the determinations, are shown in Table 8. The average weekly earnings from commissions and P. M.'s are separately shown.

* The amount and causes of unemployment among retail store women in Boston was the subject of a special study, the results of which will appear in Bulletin of the United States Bureau of Labor Statistics, No. 182.

TABLE 8.

Average Weekly Earnings and Hours of Labor of Women and Girls Before and After Minimum-Wage Determinations, with Per Cent. of Increase or Decrease after Determinations, in 33 Portland and 7 Salem Retail Stores.

Type of store.	Number of women.	Average weekly wages.	Average weekly P. M.'s.	Average weekly commissions.	Total average weekly earnings.
PORTLAND.					
Department, dry-goods, and 5 and 10 cent stores:					
Before determinations	1,632	$7.87	$0.022	.....	$7.89
After determinations	1,345	$8.65	$0.017	$0.004	$8.67
Per cent increase (+) or decrease (−)	.....	+9.9	−22.7	.....	+10.0
Specialty stores:					
Before determinations	167	$9.85	$0.11	$0.24	$10.20
After determinations	181	$9.67	$0.05	$0.24	$9.96
Per cent increase (+) or decrease (−)	.....	−1.8	−54.5	.....	−2.4
Neighborhood stores:					
Before determinations	34	$9.16	$0.41	$0.09	$9.66
After determinations	20	$10.23	.....	$0.08	$10.31
Per cent increase (+) or decrease (−)	.....	+11.7	−100.0	−11.1	+6.7
Total:					
Before determinations	1,833	$8.07	$0.04	$0.02	$8.13
After determinations	1,546	$8.79	$0.02	$0.04	$8.85
Per cent increase (+) or decrease (−)	.....	+8.9	−50.0	+100.0	+8.9
SALEM.					
Dry-goods, specialty, and 5 and 10 cent stores:					
Before determinations	97	$7.65	.....	$0.013	$7.66
After determinations	96	$8.15	.....	$0.023	$8.17
Per cent increase (+) or decrease (−)	.....	+6.5	.....	+76.9	+6.8
Grand total:					
Before determinations	1,930	$8.05	$0.04	$0.02	$8.11
After determinations	1,642	$8.76	$0.02	$0.03	$8.81
Per cent increase (+) or decrease (−)	.....	+8.8	−50.0	+50.0	+8.6

(Page 24.)

With less than a quarter of an hour more of service per week in the 1914 period, women were paid on the average $8.76 in wages after the minimum-wage determinations, as against $8.05 before, an increase of 71 cents per week, or 8.8 per cent. The additional sums affecting earnings and commonly known as P. M.'s, paid for selling certain lines of goods, and bonuses paid for finding mistakes in sales checks, have been fewer in number and

less in amount since the minimum-wage determinations. As the average amount received per week from these sources was but 4 cents, the decrease of 50 per cent. in P. M.'s and bonuses, or 2 cents, means very little in the earnings of the average woman. This is especially so since the custom of granting commissions either on all sales or sales above a specified amount has increased slightly. The average commission earned by all girls was 3 cents, as against 2 cents per week in 1913. The average weekly earnings for these store employees totaled, therefore, $8.11 before and $8.81 after the minimum-wage determinations.

These earnings are $1.81 less per week in 1913 and $1.52 less per week in 1914 than the average rate of pay for the respective periods. In other words, the average earnings for all women increased 8.6 per cent. while the average rates of pay increased but 4.1 per cent.* (Pages 25-26.)

Portland Department, Dry-Goods and 5 and 10-Cent Stores.

The average weekly earnings of all women (1,345) in the six department, dry-goods, and 5 and 10-cent stores increased 10 per cent., or from $7.89 to $8.67 per week after the minimum-wage determinations. This increase occurred almost entirely in the average weekly wages; the amount paid in premiums, commonly known as P. M.'s, averaged the same in both years, and the commission system, which had not been in use in 1913, netted the women on an average of less than 1 cent a week. This percentage of increase in earnings was approximately twice as great as the increase occurring in the rates of pay. Its relation to rates differed, however, in the several occupations. (Page 52.)

*See Table 4, p. 18.

Massachusetts Minimum Wage Commission. Bulletin No. 12, November, 1916. Preliminary Report on the Effect of the Minimum Wage in Massachusetts Retail Stores.

The Commission finds . . .

3. That on or about Jan. 1, 1916, when the Commission's recommendations became effective, the wages of nearly 40 per cent. of all the women and girls employed in over 900 stores, from which information was obtained, were raised. In stores where wages were raised in pursuance of the Commission's recommendations, the percentage of wage increases was 46 per cent.; in stores where the wages previously paid were not less than the minimum rates recommended by the Commission, the percentage of wage increases was 20 per cent.; in stores where lower wages were previously paid, and where there was no attempt to follow the Commission's recommendations, the percentage of wage increases was also about 20 per cent., but would probably have been less but for the publicity given to the Commission's recommendations. Altogether nearly 6,000 women and girls received increases of wages, more than nine-tenths of whom were employed in stores which raised wages in pursuance of the Commission's recommendations.

4. That the increases of wages amounted in a majority of cases to at least $1 a week, and in many cases to $2 or $3 or more. There were comparatively few cases in which the wages of women receiving more than the minimum rates recommended by the Commission were reduced. The number of such cases, moreover, was less in proportion to the total number of employees in stores following the Commission's recommendations than in those not following them. (Pages 5-6.)

Upon these findings, as set forth in full in its report, the Commission bases the following conclusions:

1. That most experienced women employed in retail stores in Massachusetts are now receiving not less than the rate recommended by the wage board and approved by the Commission, and that most learners and appren-

tices are now employed under more favorable conditions and with better prospects than ever before.

2. That no such general increase in wages as has actually occurred would have taken place but for the operation of the minimum wage law. (Page 7.)

In all the establishments inspected up to Sept. 7, 1916, only 987 women, or 6.2 per cent. of the total number of full-time workers, received less than the recommended minimum rates. Fifteen thousand and forty-nine women, or 93.8 per cent. of the total number, received not less than the rates to which they were entitled on the basis of their age and experience. That the great majority of the establishments which had formally notified the Commission of their acceptance of its recommendations had done so in good faith is shown by the fact that only 3 of these establishments had made no attempt to follow the Commission's recommendations, and in the 167 establishments in this group only 1.8 per cent. of the women employed as full-time workers were receiving less than the prescribed minimum wage. The inspection of the pay rolls of retail stores shows, therefore, not only that practically all of the proprietors of establishments published as formally accepting the Commission's recommendations did so in good faith, but also that by far the greater number of other retail establishments throughout the State, large and small, are at present following or seriously attempting to follow the recommendations of the Commission. (Page 15.)

Principles of Labor Legislation. JOHN R. COMMONS *and* JOHN B. ANDREWS. *Harpers, New York, 1916.*

Perhaps the first question to be considered is whether the laws have succeeded in raising wage rates. Nearly all the evidence so far collected goes to show that they have. Some instances of failure are known. In Victoria, for instance, it has proved difficult to maintain the legal rate in the furniture trade among the Chinese. . . . and in England the custom of distributing work through

middlemen, and the depression of the industry, led to evasions in the lace-finishing trade. . . . But on the whole, in the different countries and in the various industries, the awards of the wage boards have been found to be effective. In Victoria, official reports show, average wage rates increased 7.6 per cent. in thirteen board trades in a period of about five years before awards were made, but 16.5 per cent. in these and in six additional board trades during a similar period after awards were made. In six trades a period of decline in wage rates became a period of advance after the making of awards. During the whole time wage-rate advances in twelve non-board trades amounted to 11.6 per cent. In the English chain-making industry 56.7 per cent. of the male mastermen and 61.3 per cent. of the journeymen earned less than 15 shillings a week in 1911. In 1913, after the award by the trade board, only 1.3 per cent. of the mastermen and 0.7 per cent. of the journeyman earned so little. In the branches of the English tailoring trade covered by the trade board, it is estimated that about one-third of the women and between one-fourth and one-fifth of the men have received increases in their earnings. In Washington the industrial welfare commission states that in twenty-four stores, before the minimum wage award, 1,758 women received less than $10 weekly, . . . the number of workers remaining approximately the same. A report of the United States Bureau of Labor Statistics on the effect of minimum wage determinations in Oregon retail stores indicated that average weekly earnings of women were 8.6 per cent. higher in the face of a business depression which caused an 8 per cent. decrease in the sales of these stores. A year after its decree in the brush industry, the Massachusetts Minimum Wage Commission found that only five, or 1 per cent. of the employees whose wage records it took, were receiving less than the legal minimum. (Pages 190-191.)

Biennial Report of the Washington Industrial Welfare Commission, 1913-1915.

Seldom has any piece of legislation, in prospect, engendered so much discussion and so much criticism, as did the minimum wage law, with the intricacies of its ramifications touching almost every industry in the state, large or small, and the family of nearly every wage-earner; seldom, too, has any law, in actuality, been so well received, its application been accomplished with so little open opposition and, for a law of this character, has been attended with so little industrial disturbance, as that same minimum wage law. . . .

These statements are based on a survey of three of the leading industries of the state, three of those in which the minimum wage was first established—mercantile establishments, laundries and telephone exchanges—which will be found in detail in a later chapter of this report. That these effects are true is all the more remarkable from the fact that business conditions existing at the time the wage orders went into effect were not such as in themselves to secure a favorable reception.

The sequence of it all is that there are vastly more women workers in the state of Washington to-day receiving a living wage than there were two years ago when the law was enacted; that there are more higher paid girls now than there were then; that the whole wage standard, together with the standard of efficiency and discipline, has been raised; that industry itself has been taught the lesson that higher paid workers are better workers. (Page 13.)

Some idea of the industrial effect of this legislation can be gained when it is realized that the Industrial Welfare Commission's preliminary surveys of the factories, stores, laundries and telephone exchanges of the

state showed that sixty per cent. of the women employed were receiving less than a living wage prior to the application of the law, except in the stores where the ratio ran about fifty per cent. The law, in other words, has advanced the wages of practically sixty per cent. of the workers in these industries and has done it without serious opposition at a time when business conditions were none too good and when there was every incentive for the employer, if he had desired to hide behind the minimum wage law and the dire predictions previously made, to offset the effect of the increased wages on his expenses by the employment of cheaper labor of whatever kind was available. To be sure, that excuse has been used to some extent, particularly where the employer wanted to get rid of a woman worker for some other reason, but a careful study of the statistics elsewhere published and the summaries of them, will convince even the most ardent opponent of minimum wage legislation that the women workers have neither been dismissed nor displaced by cheaper employees. (Pages 14-15.)

Summary of Wage Survey.

Following is a detailed summary of the effects of the minimum wage as shown in the preceding tables.

Mercantile Employment.

An analysis of Table No. 1, on Page 70, shows:

(1) That in 1913, 1,758 girls in twenty-four mercantile stores were receiving less than $10.00 per week, while in 1914 there were but 561 receiving less than that amount.

(3) That in 1913 there were only 370 women receiving $10.00 per week, but in 1914, after the minimum wage became effective, this was increased to 1,323, showing that 953 women, out of a total of 1,758 or 54 per cent. were advanced to the minimum wage. (Pages 79-80.)

*Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chap. I. Victoria.**

Created during a period of unusual industrial depression, the Victorian system of wages boards was designed to remedy some of the worst evils of sweating and underpayment. In doing this it has been eminently successful. . . . As a result of the operations of the boards, wages have raised, but not to the extent that has often been claimed. The average increases of wages has been greater in the board than in the non-board trades, but this may be due to the fact that the former are larger and more important. It is significant that after a determination comes into effect, wages do not apparently increase faster in a board than in a non-board trade. Hence the greatest impetus to wages comes during the determination year. But this initial raise is often of vital import, as we have seen in the clothing industries. Not the least in importance is the indirect effect of board determinations in maintaining the wage scale in non-board trades higher than it might otherwise be. (Page 1953.)

Chapter II. New Zealand.

Although not chiefly inspired by the evils of sweating, the arbitration system, like the wages boards, have invoked the minimum wage to put an end to sweating. (Page 1967.)

Although many awards have left the conditions of industry unaltered, the policy of the Court has been in the main to continue to fix wages and hours at a higher level. In 1912 there were but three cases in the whole series of awards in which wages had been decreased or hours

* For earlier studies embodying similar conclusions after shorter experience see Newest England, Henry Demarest Lloyd. Doubleday, Page & Co., New York, 1900. Page 238.

State Arbitration and the Minimum Wage in Australia, H. W. Macrosty. Political Science Quarterly. March, 1903. Page 136.

The Report of the Victorian Industrial Commission, A. S. Weber, Quarterly Journal of Economics, August, 1903. Pages 625, 636, 640.

increased.* There is no accurate way in which to measure the effect of these awards, but a comparison of census statistics indicates the trend of rising wages. From 1896 to 1911 the average wages of men in all classes of manufacturing enterprise increased from £77 5s., to £115 2s. per year, a gain of forty-nine per cent. The average remuneration of women increased 69.5 per cent. during the same period, while the percentage increase for both sexes was 42.3. When specific industries are considered, it will be seen that the gains have often been even greater, especially in the flax and rope and twine mills. The following tables give the wages in detail for fifteen selected industries. In considering these figures, it must be borne in mind that they are not the averages for adults only, but for workers of all ages. Another fact to be remembered is that in 1911, the census year, industry was just emerging from a period of depression. Hence the figures for that year are somewhat lower than they otherwise would be.

* Summary of Awards, Recommendations and Agreements, 1912, p. 19.

Table 19.

Total and Average Wages Paid Annually, 1896 and 1911*. All Factories and Works.

Census Year	MALES			FEMALES			ALL EMPLOYEES		
	Number of Employees	Total wages £	Average wage £ s	Number of Employees	Total wages £	Average wage £ s	Number of Employees	Total wages £	Average wage £ s
1896	22,986	1,776,076	77 5	4,403	131,516	29 17	27,389	1,907,592	69 12
1911	42,267	4,865,426	115 2	13,967	706,844	50 12	56,234	5,572,270	99 2

*Figures from the census reports of New Zealand.

TABLE No. 20

Total and Average Wages Paid in Selected Industries in 1896 and 1911*

INDUSTRY	Census	Number of employees	Total Wages £	Average Wage £	Average Wage s	Per Cent increase in average wage
Butter and cheese	1896	576	40,157	69	14	.....
	1911	1,504	170,065	113	1	62.2
Breweries	1896	465	57,327	123	5	.....
	1911	741	109,544	147	16	19.9
Aerated water	1896	347	21,445	61	16	.....
	1911	570	62,937	110	10	78.8
Saw mills	1896	4,059	323,223	79	12	.....
	1911	6,877	774,402	112	9	41.2
Brick, tile and pottery	1896	455	28,229	62	0	.....
	1911	966	112,328	116	5	87.5
Printing and bookbinding	1896	2,351	216,302	92	0	.....
	1911	4,222	490,246	113	14	23.5
Agricultural implements	1896	581	44,581	76	14	.....
	1911	646	81,026	125	4	63.2
Coach building and painting	1896	807	57,377	71	2	.....
	1911	1,439	149,806	104	2	46.4
Tanneries and fellmongeries	1896	1,629	116,983	71	16	.....
	1911	1,372	136,875	99	15	39.5
Woolen mills	1896	1,416	91,619	64	14	.....
	1911	1,410	137,161	97	5	51.8
Flax mills	1896	647	17,544	27	2	.....
	1911	1,244	143,895	115	13	326.7
Saddlery and harness	1896	266	15,904	59	15	.....
	1911	594	62,482	105	3	75.9
Rope and twine	1896	150	6,840	45	12	.....
	1911	190	20,377	107	5	137.4
Furniture	1896	496	34,044	68	12	.....
	1911	1,689	178,042	105	8	53.6
Clothing, boots and shoes	1896	4,407	210,463	47	15	.....
	1911	5,009	367,445	73	7	53.6

* Figures from the Census Reports of New Zealand.

(Pages 2036-2038.)

There is ample evidence that the cost of living to the average person has materially increased during the last decade or two. . . . It is apparent that the higher cost of living cannot be attributed to any single factor or combination of factors. (Pages 2042-2043.)

The extent to which wages keep pace with the cost of living is one of the fundamental questions relative to that object. The study of the Commission has shown that wages and prices in New Zealand have pursued almost parallel courses for the greater part of the last twenty years. The higher wages paid have been sufficient not only to preserve the old standard of living at the increased prices, but to add considerably to the comforts and common luxuries consumed. This is attested by the fact that the present relative outlay on other items than the bare necessaries of life is much greater than it was formerly. The general conclusion reached is that while the standard of living has risen very considerably, it has risen because of the growing surplus of income left after paying the cost of living.* (Page 2043.)

Chapter III. New South Wales.

The factor determining the real benefit of wage increases to the workingman is the cost of living. The ratio maintained between these economical factors does not differ much from that already observed in Victoria and New Zealand. As we have seen, the average wages of factory hands of all ages and both sexes increased almost 40 per cent. from 1906 to 1912, according to Mr. Trivett, the Government Statistician. Taking 150 occupations in the state as a basis, Mr. Knibbs, the Commonwealth Statistician, has found that on the average, wages increased 23.3 per cent. from 1901 to 1912.† The rates of wages increase for most of the trades have been even higher than this. Turning now to the cost of living, we find that according to the Statistics Bureau of the Commonwealth, the cost of subsistence as measured by the purchasing power of money has risen about 23 per cent. since 1901.‡ At the same time it is generally admitted that there has been a larger variety in the demands of the people and a rise in the quantity of articles con-

* Cost of Living Commission, 1912, p. civ.
† Official Year Book of the Commonwealth of Australia, 1913, p. 1129.
‡ Commonwealth Bureau of Census and Statistics, Labour Bulletin No. 4, p. 258.

sumed. In short, the standard of living has risen as well as the cost of living. (Page 2091.)

Chapter IV. Wage Legislation in Western Australia, South Australia, Queensland and Tasmania.

Queensland.

As the first act in this state practically dates from 1909, no such comparison of wages is possible as in some of the other states. . . . In the opinion of employers in 1909, the average increase of the minimum rates fixed amounted to 12 per cent. and in some trades was equal to 20 per cent.* Since then there have been still further advances. Without giving detailed statistics, the following quotation of the Department of Labor sufficiently shows the advance of wages in recent years: "The determinations have, with one exception considerably raised the average of wages paid, as a comparative perusal of the appendices of this and preceding Annual Reports will show. In some instances the increase in the weekly wage amounts to over 50 per cent., and, generally speaking, the rates of piece-work have been increased very much in comparison with those prevailing prior to 1908." (Pages 2192-93.)

Tasmania.

According to the tables compiled by the Factory Department, there has been a general increase of wages of from 15 to 56 per cent. in those trades now controlled by board determinations. There has likewise been an increase of 25 per cent. in the cost of provisions and of 55 per cent. in rents, but at the same time there has been an improvement in the standard of living. The amount of unemployment is lower here than in any other state of the Commonwealth.† Comparatively little time is lost through industrial warfare, so that taking all factors into consideration, it would seem that labor is fairly holding its own. (Page 2199.)

* Report of the Queensland Employers' Fed. Annual Meeting, 1909, p. 5.

† Commonwealth Bureau of Census and Statistics, Bulletin No. 5, p. 13.

Chapter VI. Summary and Conclusions.

Like the rise in the wage scale, the increase in the cost of living has been a general phase of recent economic history. It is doubtless true that the effect of wage legislation has been to increase the prices of certain articles to the general public. Capitalistic combines have seized upon wage determinations as an excuse for raising prices even beyond the increase in wages. In some cases such increases have followed a genuine rise in the cost of production. But taking conditions in Australasia as a whole, for the period preceding 1912, there is no evidence to prove that the increase in cost of living outstripped the rise in wages. Allowing for the change in the cost of living, the figures of the Commonwealth Statistician show that in Australia as a whole, effective wages increased almost four per cent. from 1901 to 1911. (Pages 2242-43.)

Commonwealth of Australia. Bureau of Census and Statistics. Official Year Book, No. 8, 1915.

Amount of Salaries and Wages Paid and Average Amount Per Annum Paid Per Employee, 1908 to 1913.

Year.	Particulars	N. S. W. £	Vic. £	Q'land. £	S. Aust. £	W. Aust. £	Tas. £	C'wlth. £
1908	Total amount paid	7,218,556	6,380,296	2,192,015	1,924,974	1,474,934	693,592	19,884,367
	Average per employee	84.72	71.59	78.28	83.55	123.56	84.43	80.99
1909	Total amount paid	7,665,125	6,807,851	2,324,005	2,028,691	1,506,360	779,624	21,111,656
	Average per employee	87.27	73.57	82.09	83.08	122.08	86.44	82.97
1910	Total amount paid	8,687,007	7,600,932	2,830,704	2,323,398	1,683,657	740,463	23,866,161
	Average per employee	90.78	78.18	86.79	90.44	123.93	78.81	87.04
1911	Total amount paid	10,047,656	8,911,019	3,113,835	2,645,386	1,982,883	827,592	27,528,371
	Average per employee	96.35	83.48	87.15	99.64	129.80	84.47	92.26
1912	Total amount paid	11,592,052	10,102,244	3,699,065	2,869,653	2,169,144	855,334	31,287,492
	Average per employee	104.44	91.19	93.88	105.62	136.67	90.41	99.74
1913	Total amount paid	12,683,384	10,714,336	4,075,191	3,034,537	2,215,187	883,452	33,606,087
	Average per employee	109.66	94.74	100.05	111.66	132.31	95.18	104.14

(Page 458.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

The Direct Effect of the Trade Board on Wages.

The main question, however, is of course, the effect of the Trade Board upon wages. (Page 64.)

. . . When this inquiry was begun, it was hoped that it would be possible to produce a fairly complete account of the difference in piece-rates, workers' earnings, and wages bills caused by the establishment of the minimum rates, such as was given for chainmakers in our previous report on the chainmaking industry. It soon became evident, however, that any exact or general comparison between the conditions obtaining in the matter of wages before and after 20th February, 1913, when the rates became obligatory, was out of the question. The difficulty did not consist merely in the extent of the ground to be covered, though, as there are some 145,000 workers under the Tailoring Board, that was real enough. It lay in the virtual impossibility of obtaining evidence on the subject of wages from such firms as were approached of a sufficiently precise and exhaustive character to be expressed in a tabular form. (Pages 64-65.)

All we can hope to do is to give the reader some indication of what the effect of the Trade Board upon wages has been, to present such cases as have come to light of striking increases in the piece-rates and earnings of workers, to indicate how far the evidence collected in the course of our inquiries shows them to be typical or exceptional, both of the country as a whole, or of special districts, and to test these results by reference to the Inquiry into Earnings and Hours of Labour which was made by the Board of Trade in 1906. (Page 66.)

. . . The minimum time-rate for women was fixed, it will be remembered, at 3¼d. per hour, with the provision that an employer should be held *prima facie* to be complying with the Board's determination if 80 per cent. of his workers on each piece-rate were earning 3¼d. per

hour or more. Though there are a few firms where women are employed on day-wages, the vast majority of women are piece-workers; and in considering what influence the Board has had upon wages, the first question to be asked is in how many firms have either (1) piece-rates or (2) weekly earnings of adult women workers been increased. (Pages 67-68.)

TABLE III.

	(i) Number of firms	(ii) Number of firms where piece-rates and weekly earnings raised	(iii) Number of firms where piece-rates not raised	(iv) Number of firms where time-rates increased, or weekly earnings increased without advance in piece-rates
North-Eastern District	25	1	24	2
North-Western District	70	5	49	17
South Midlands and South-Western Districts	22	14	6	6
London	25	18	7	3
Eastern District	9	9	.....	.....
Total	151	47	86	28

(Page 67.)

An attempt to answer this question for a small group of firms is made in Table III above.

This table shows that at 47 out of 151 firms some piece-rates have been raised, and that at 28 firms the weekly earnings of some workers have been increased apart from any rise in piece-rates, as a result of the Trade Board's determination. It does not, however, give any idea of the proportion of workers affected. On this point, also, statistical evidence is deficient. Such as it is, it is presented in Table IV.

According to this table, out of 177 workers who gave information with regard to their wages, 113, or 63.8 per cent., had experienced no change as a result of the Trade Board's determination; 55, or 31 per cent., had had their weekly earnings raised, either by an increase in the piece-rates, or by means of improved organization without any advance in the piece-rates; 9 had had their piece-rates reduced.

It is evident from these figures that the Tailoring Trade Board has not brought about any *general* increase in wages, such as is the result of an advance secured by a Trade Union, or such as was effected by the Chain Trade Board. The workers affected are, roughly, the third of the trade which, prior to the issue of the Trade Board's determination, was most poorly paid. (Pages 68-69.)

TABLE IV.

	Number of workers who gave information	No change	Piece-rates raised	Weekly earnings increased without evidence as to rise in piece-rates	Piece-rates reduced
Scotland, North-Eastern and North-Western Districts	123	88	16	17	2
South Midland, South-Western, and South-Eastern Districts	54	25	19	3	7
Total.....	177	113	35	20	9

(Page 69.)

It will be seen that different parts of the country have been affected in very different degrees by the Trade Board's determination. In other words . . . Of the 47 firms out of 151 which raised their piece-rates as a result of the Trade Board's determination, 41 were situated in the southern districts, 6 in the northern. . . .

Out of 123 workers in the Scottish, North-Eastern and North-Western districts, who gave information with regard to their wages, only 16 stated that their piece-rates had been raised; while of the 54 workers in the Midland and Southern districts, 19, or 35.2 per cent., had had a rise in their piece-rates. (Pages 69-70.)

Our figures suggest, then, that about one-third of the women employed in the branches of the tailoring trade which come within the scope of the Trade Board have received an advance in wages. But, of course, in districts where wages are lowest, and in the firms which in the past have paid worst, the proportion affected is considerably larger. Our information does not enable us to show the amount by which the wages of workers in such districts and firms have been increased; but, though any quantitative estimate is impossible, it is easy, and it is perhaps not altogether useless, to cite facts showing that in certain establishments weekly wages, wage bills and piece-rates have increased considerably. (Page 71.)

The evidence so far presented is obviously extremely partial and inadequate, and requires to be examined in the light of the census of wages contained in the Report* of the Board of Trade upon the Earnings and Hours of Labour of Workers in the Clothing Trades in 1906. (Page 75.)

The wage census of 1906 offers a fairly reliable basis from which to start. Its grouping of the wages of 11,372 women engaged in ready-made tailoring is set out in the following table. It should be noted that the average working week to which these figures relate was found by the Board of Trade to be 51.2 hours, whereas the Trade Board's minimum of 13s. 6½d. is based on a week of 50 hours; that the earnings are those of factory workers only, not of homeworkers; and that the returns were probably supplied by employers above rather than below the average in the matter of wages. For these reasons the advance caused by the Trade Board is greater than these figures would indicate.

It will be seen that, in 1906, out of 11,372 workers,

* Cd. 4844 of 1909.

6,210, or 54.4 per cent., were earning wages less than 13s. a week, and 930, or 8.2 per cent., between 13s. and 14s., which means that about 58 per cent. of all the women in the ready-made tailoring industry were earning less than 13s. 6½d. The percentage rule adopted by the Tailoring Board permits that 20 per cent. of these may, in ordinary circumstances, continue to earn less than the minimum. The remainder must now earn at least 3¼d. an hour, or 13s. 6½d. for a week of 50 hours. According to these figures, therefore, at least 38 per cent. of the women engaged in making ready-made clothing must have received some advance in their wages as a result of the Trade Board's determination. This conclusion is in rough agreement with the figures given above, which show that of the 177 workers who supplied information, 31 per cent. had received an increase. (Pages 76-78.)

All one can say is that at least 38 per cent.* of the workers represented on that table, and an uncertain proportion in addition, have had an advance on the wages of 1906. (Page 80.)

The Establishment of Legal Minimum Rates in the Box-making Industry Under the Trades Boards Act of 1909. M. E. Bulkley. *With Introduction by* R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

The minimum time-rate for women, it will be remembered, was fixed by the Trade Board at 3d. an hour, with the proviso that an employer should be held *prima facie* to be complying with the Board's determination if 85 per cent. of his workers were earning 3d. an hour or more. Let us consider first in how many of the firms which we visited have the weekly earnings of women been increased since the fixing of the minimum rates. . . . The following table will give some indication of the effects of the Trade Board rates:

I. e., 58 per cent. (the proportion in Table V earning below the minimum), less 20 per cent., who may, in certain circumstances, continue to earn below the minimum.

TABLE II.

Effect of Trade Board on Women's Wages.

DISTRICT	NUMBER OF FIRMS: In which wages of time-workers were raised	In which piece-rates were raised	In which weekly earnings were increased without rise in piece-rates (i. e. by better organization)	In which weekly earnings were increased but information insufficient to determine by what means	In which no change was made	Total
London	2	18	—	4	14	38
Norwich	1	4	—	1	—	6
Birmingham and district and Bristol	4	11	3	2	13	33
Leicestershire and Northamptonshire	5	1	3	—	9	18
Nottingham.....	1	—	—	—	5	6
Newcastle, Manchester, Liverpool and Warrington.....	3	1	—	1	2	7
	16	35	6	8	43	108

The conclusions to be drawn from these figures must be only tentative, owing to the small number of returns. It will be seen that earnings had been increased in 65 out of the 108 firms; as a rule it had been found necessary to raise piece-rates or the weekly wages of time-workers, though in at least six cases weekly earnings had been increased without any change in the piece-rates, by means of better organization. The table does not, of course, give any idea of the number of workers affected. Nor does it show the extent of the increase. . . . (Page 28.)

That the fixing of the minimum rate at 3d. must have caused a considerable increase in wages in some parts of the country (more especially the east, the south, parts of the Midlands and Scotland) is apparent from the objections urged by employers when the rate was proposed. (Page 29.)

The conclusion suggested by these objections is borne out by the information given us by employers. In one firm the wages of inworkers have been raised 2s. 3d. since the Act; in another they have been raised by 2s. or 3s.;

in a third the wages of the women ranged from 9s. to 15s. and now range from 13s. to 15s. In a fourth women's wages have increased all round; whereas they used to earn from 10s. to 15s. a week, they now earn from 13s. to 17s. In a fifth the average wage for girls over twenty-one years was 11s., no time workers getting more than 2½d. an hour; they now earn at the rate of 3d. or 3½d. an hour. In a firm in the northwest of England, out of 183 women and girls (including learners), eighty-nine had to have their wages increased when the minimum rates were fixed, by amounts varying from 6d. to 5s. 5d. a week. . . . (Pages 30-31.)

The details given above, meagre as they are, point to the conclusion that the Trade Board's determination has been of great benefit to the more poorly paid section of the women workers in the boxmaking industry. They may be supplemented by a study of the Board of Trade's Report on Earnings and Hours of Labour in 1906. (Page 31.)

. . . On the assumption that the wages were substantially the same in March, 1912, as in September, 1906,* some 52 per cent. of the indoor workers must have had their wages raised as a result of the Trade Board's determination. And this does not show the whole extent of the change, for where piece-rates have been raised in order to bring the slower workers up to the minimum, the quick workers who could previously earn more than the minimum have also found their wages increased in proportion. (Page 33.)

Bulletin of the United States Bureau of Labor, No. 56. January, 1905. Labor Conditions in Australia. Victor S. Clark.

Concomitant with the existence of the minimum wages law, whether due to its influence or not, there has been a

* There are two factors which might have influenced the course of wages in some slight degree. There is a shortage of labour, due partly to the fact that, the boxmaking trade having acquired a bad reputation, mothers are not anxious to put their daughters to it; at the same time the industry has been expanding, so that wages might have shown a tendency to rise somewhat without the intervention of the Trade Board.

healthy increase in the number of factory workers as compared with the years immediately before the Act went into operation, and even in comparison with the years of the previous boom. In 1902 there were 4,252 registered factories in Victoria, with 59,440 operatives, an increase of 2,495 operatives over the previous year, and of 11,627 operatives over the most prosperous year (1890) of the last boom period. Except in three occupations, where there has been a recent increase in the proportion of female and juvenile workers, the rate of wages has uniformly risen since the boards went in operation. The following table of average wages is taken from the report of the State Inspector of Factories for the year ending December 31, 1902:

Average Weekly Wages in Trades Under Board Determinations in 1902 as Compared With Average Wages Before Determinations Went Into Effect.

Trade	Before Determination Went Into Effect	1902	Increase
Bedstead makers	$ 7.83	$ 8.39	$ .56
Bookbinders	4.81	5.37	.56
Bootmakers	5.64	6.87	1.23
Breadmakers	7.91	10.42	2.51
Brewers	8.35	9.63	1.28
Brickmakers	10.12	11.13	1.01
Brushmakers	5.62	6.47	.85
Butchers	9.17	9.81	.64
Cigar Makers	7.36	8.09	.73
Clothing makers (men's)	4.87	5.45	.58
Confectioners	4.12	5.09	.97
Coopers	8.66	10.56	1.90
Engravers	8.98	12.13	3.15
Furniture makers	7.08	9.61	2.53
Jam makers	5.15	4.62	.53*a*
Jewelers	8.23	10.02	1.79
Maltsters	10.00	10.97	.97
Mantelpiece makers	8.15	10.67	2.52
Millet broommakers	6.79	8.13	1.34
Pastry cooks	7.50	6.96	.54*a*
Plate glass makers	6.69	8.68	1.99
Potters	6.83	8.84	2.01
Printers (city)	8.96	9.49	.53
Printers (country)	7.54	8.05	.51
Saddlers	6.59	8.54	1.94
Shirt makers	3.51	3.49	.02*a*
Tanners	7.73	8.64	.91
Underclothing makers	2.74	3.08	.34
Wickerworkers	5.58	6.37	.79
Woodworkers	8.07	10.63	2.56
Woolen goods	4.97	5.19	.22

a Decrease.

(Page 70.)

The Trades Board Act at Work. S. C. Moore. *The Economic Journal, London, September, 1913.*

In June, this year, the local branch of the Clothing Operatives Union determined to take a census of their male members to find out what wages were being paid. In order to ascertain the effect of the Trades Board Act they also asked for information about wages and hours before and after the act came into operation.

There were 250 of these forms sent out and 230 were returned duly filled up. . . .

The returns reveal some striking facts about men's wages in the clothing trade of Hebden Bridge, and also prove that the Trades Board Act has caused some remarkable increases to be given. The minimum of 6d per hour is not compulsory until the age of twenty-two; therefore, as sixty-one out of the total number making returns are at present getting less than 26s, we may presume they are juniors. Out of the 230 male workers, about whom we have definite information, 134 received increases when the act came into force. The following table gives particulars of the advances received:

32 men received an advance of 1s 0d per week
25 men received an advance of 2s 0d per week
28 men received an advance of 3s 0d per week
23 men received an advance of 4s 0d per week
11 men received an advance of 5s 0d per week
8 men received an advance of 6s 0d per week
5 men received an advance of 7s 0d per week
1 man received an advance of 7s 5d per week
1 man received an advance of 8s 0d per week

The average increase per week was 3s per man. In no case do the returns show any reduction in wages, and as the union officials have not heard of any such instance, it is evident that the increases are a clear gain to the workers. (Page 445.)

Benefit to Wages.—Great Britain

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London), London, 1914.*

These tables show that the effect of the minimum piece rates established by the Chain Trade Board was to bring about a very striking increase in the weekly earnings of men. In October, 1913, the "mode" (*i. e.*, the point at which the largest group is found) lay, in the case of the "mastermen's" earnings, between 21s and 22s, and in the case of the "journeymen's" earnings between 20s and 21s.* Had the piece rates obtaining prior to the issue of the Trade Board's determination still obtained, then the mode of the earnings of both mastermen and journeymen would have been between 13s and 14s. The comparison between the wages earned at each date by the two classes of workers can be expressed as follows:

	Mastermen		Journeymen	
	1911 Per cent.	1913 Per cent.	1911 Per cent.	1913 Per cent.
Under 15s	56.7	1.3	61.3	0.7
15s and under 20s.	33.7	20.2	37.2	14.6
20s " " 25s.	9.4	60.8	1.4	48.1
25s " " 30s.	.....	17.5	.....	30.6
30s and over	.....	.....	.....	5.8

Women's Rates and Earnings.—. . . To give an actual instance: Miss X., prior to the issue of the Trade Board's determination, was paid 3s 6d per cwt., and made 2 cwt. of chain a week, thus getting 7s, out of which she paid 2s a week for breeze, so that her net wage was 5s. If her weekly earnings had risen by 100 per cent., she would have got 10s per week. In fact, however, the piece rates were advanced by 100 per cent., so that she earned a gross wage of 14s, or, when 2s a week was paid

* If returns had been obtained from a larger number of journeymen it is probable, as Table 9 suggests, that the mode of their earnings would have lain at some point between 23s and 26s. (Pages 82-83.)

for fuel, 12s. A rise of 100 per cent., therefore, in the piece rates meant in this case a rise of 140 per cent. in weekly earnings. Such large advances are, no doubt, quite exceptional. But the figures given above indicate that a rise of from 50 per cent. to 80 per cent. on the prices paid for the poorest class of chain has been quite a usual result of the Trade Board's determination. To this must now be added a further rise of 10 per cent. should the "Proposal to Vary," issued on 11th August, 1913, be ratified.* (Pages 85-87.)

How do the earnings set out in the above tables compare with the earnings of women prior to the fixing of minimum rates by the Trade Board? This is a question to which it is not easy to get a satisfactory answer. (Pages 95-96.)

TABLE XVI.

Weekly Earnings of Chain-Makers.

	In 1910 (estimated)	In 1913	Plus Rise of 10 der cent. now proposed
15s. and over	1	2	9
14s. and under 15s.	1	3	5
13s. and under 14s.	1	3	9
12s. and under 13s.	1	8	14
11s. and under 12s.	7	18	22
10s. and under 11s.	2	27	37
9s. and under 10s.	7	29	35
8s. and under 9s.	16	39	55
7s. and under 8s.	25	67	68
6s. and under 7s.	31	86	68
5s. and under 6s.	61	85	58
4s. and under 5s.	103	30	24
3s. and under 4s.	79	18	15
2s. and under 3s.	70	9	6
Under 2s.	21	2	1
	426	426	426

(Pages 97-98.)

These figures show that if the hours worked and quantity of chain made are assumed to have been the

* This rise has now been granted.

same in 1910 as in the week for which figures were collected in 1913, the fixing of piece rates by the Board has meant a considerable upward movement in the general level of hourly earnings. In 1913 the mode lay between 5s and 7s; in 1910 it would have lain between 4s and 5s. In 1910, 64 per cent. of the workers would have been earning under 5s a week, and 14.3 over 7s; in 1913, 13.8 per cent. were earning under 5s., and 46 per cent. over 7s. If, and when, the "proposal to vary" is ratified, the mode will lie between 6s and 8s, 10.7 per cent. of the workers will earn under 5s per week, 59.6 per cent. will earn over 7s per week and 22.5 per cent. over 10s per week. If the low earnings still obtaining create amazement, even when the irregular hours worked by many of the women are taken into consideration, the improvement from a state of things in which under 15 per cent. of the workers earned over 7s a week, to one in which just upon 60 per cent. will do so, certainly offers some cause for satisfaction. (Pages 98-99.)

The effect of the Trade Board's first determinations was to bring about a rise in the piece rates paid for making dollied or tommied chain of about 35 per cent., and a rise in the piece rates for making hand-hammered chain of "commonest," "common" and "extra" quality of about 67, 49 and 19 per cent. respectively. This advance in piece rates has been reflected in the increased weekly earnings of both men and women, and in a rise in the general standard of life of the district. (Page 131.)

The Working of the Trade Boards Act in Great Britain and Ireland. Constance Smith. *The Journal of Political Economy, July, 1914.*

The Trade Boards Act has now been in operation for over four years, and the time has arrived for drawing some conclusion in respect of the value of a piece of legislation frankly acknowledged to be largely experimental in character. It is, however, necessary to recognize that the work of the boards actually established is still in a very early stage, and to guard ourselves against any expectation of sensational results from action necessarily slow and tentative. (Page 615.)

The Lace Board has also to deal almost entirely with out-workers. These women, who are about 8,000 in number, do not take out-work directly from the factory, but have it distributed to them by some 700 middle-women. This circumstance, together with the fact that the lace trade is at all times conscious of the pressure of foreign competition, makes the work of the Lace Board one of considerable complexity and delicacy. The board has to be careful not to fix the rates at a point which will let in the French, Swiss, or German competitor; it has also to deal with distributing agents who have been accustomed to take percentages of the prices paid to them by employers at varying rates and whose ideas of the binding authority of the Truck Acts are in some cases of an exceedingly lax description. The price lists which governed the situation in Nottingham, before the coming of the Trade Board, were price lists given to the middle-woman, and acted upon by her at her discretion; there was no rule by which a definite proportion of the price was paid to the actual worker. In general the prices paid were miserably low, and the workers were sunk in poverty and misery. . . .

An "agreed" rate, which became compulsory on February 24, 1912, was also made by the Lace Board. Founded on the time rate of 2¾d. per hour (to hold good until September 30, 1912, when it was to be advanced to 3d.), it has been easily translated into a piece-price list, based upon the list on which the middle-women were previously paid. Piece-work is so common in Nottingham that rates to be adjusted to the conditions of piece-work presented no terrors to the Lace Board. The board had, however, to deal with certain peculiar features of the local case. One of these was the middle-woman's percentage, which in the end she was left to settle for herself with the warehouse proprietor. Another, of very serious import to workers in the drawing section, was the question of defective drawn threads, the frequent breaking of which had in the past often brought down the earnings of a drawer from 1d. an hour to 1d. for several hours. It was discovered that the troublesome threads whose constant breaking took such severe toll of precious time and

strength were two-fold threads, whereas the proper strength of such threads is three-fold. An agreement has been come to by the Trade Board under which one farthing extra per gross yards will have to be paid whenever two-fold thread is used in future. (Pages 619-620.)

What conclusions may we venture to draw from the facts just summarized? First, that even in trades of a complicated nature the fixing of a minimum rate presents no insuperable difficulties, and that by the practical acknowledgment of representative employers a margin exists in the four scheduled trades which makes leveling up of wages to the standard of the better-paying firms possible. Secondly, that in the case of every scheduled trade the effect of the minimum rate has been to raise wages, and in the case of the worst-paid to raise them to an extent which has wrought a complete change in the economic conditions of the workers' lives. (Page 624.)

Report of Chief Inspector of Factories of Victoria, 1900.

Clothing Board.

The average wage for males was £1 19s 6d, and for females 18s 3d. Last year the average wage for males was £2 2s 4d, and for females 18s 1d. The average wage for the whole trade in 1896 was £1, last year it was £1 2s 6d. For adult males the average was £2 8s 6d; for females £1 1s 3d.

In the short space of three years the whole circumstances of the trade have been changed. No complaints are now heard of gross sweating, or of clothes made in miserable homes for a more miserable wage. Many of the difficulties to which I referred in my report of 1898 have disappeared. The Department has little trouble in enforcing the determination of the Board. The average wage paid will show that the majority of the men and women employed receive more than the minimum wage. (Page 17.)

Report of Chief Inspector of Factories of Victoria, 1901.

The Shirt Board.

In 1896, before the determination came into force, the average wage for females was 14s 5d per week, in 1900

and also last year, it was 14s 8d, or an increase of 3d per week for every employee in the trade. The average wage of adult females was 16s 1d in 1900 and in 1901 16s 10d. The average increased wage of 3d as compared with 1896 is not very great, but I find that in the latter year there were only 20 girls employed between the ages 13 and 15 inclusive, whereas last year there were 83. We have thus an increase of over 300 per cent. in juvenile labor and, notwithstanding this, an increase in the average wage of the trade. An examination of Appendix B will show that the 134 women who are employed at the minimum wage or more received an average of 20s 8d per week, which is certainly a high wage for what was once a sweated trade. (Page 36.)

Pastry Cooks' Board.

Mr. Ellis reports:

Great satisfaction is expressed by these men at being brought under the determination at last. These tradesmen have been long suffering and thoroughly appreciate the benefits they now enjoy under it. How ever their claims to inclusion were so long overlooked is a mystery. Breadmakers also participate in the advantages by the passing of this determination, as whilst before they were paid 13½d per hour for making bread, they were at the mercy of their employer, who could pay them what he thought fit whilst engaged in making pastry. (Page 31.)

Victoria. Papers Presented to Parliament. Vol. II. 1902-3. Report of the Royal Commission Appointed to Investigate and Report on the Operation of the Factories and Shops Laws of Victoria.

The Working of the Law in Victoria.

The Clothing Board.

The employees stated that wages had been considerably increased under the board's determination and that the operation of the law in this respect had been a distinct gain to both sides, inasmuch as good employers were not now pitted against unfair and unreasonable masters. They viewed with great alarm any proposal

to suspend the system of fixing wages by law, fearing that the inevitable result would be a relapse into sweating. One worker said that the act had been distinctly beneficial to her. Before the rates were fixed, she used to work twelve to sixteen hours a day, and the weekly average of her earnings was 12s 6d, while the minimum rate was now 20s. The same conditions prevailed as before, but they got higher wages, and the methods of manufacture had been improved to meet the extra cost. (Page XL.)

Report of Chief Inspector of Factories of Victoria. 1909.

Cardboard Box Trade Board.

Miss Cuthbertson reports:

This determination appears to be working very satisfactorily. Piece-work rates are paid generally to female employees, and these rates seem, in the majority of instances, to be fixed on a very fair basis, so that a fair remuneration can be earned. Before the determination came into operation the average wage earned in the trade was 15s 9d; but under the determination, which employers concede is only a reasonable one, the average rose to 18s 1d. This is not anything extraordinary, taking into consideration the fact that all the men employed in the trade are included; but it shows a vast increase on the rates prevailing before the determination of the wages board, and must mean a good deal in increased comfort in their method of living to the people concerned. (Page 32.)

	1896	1906
Proportion of females to total workers	16.70 per cent.	20.25 per cent.
Ditto Cheese and Butter-making	4.86 per cent.	1.89 per cent.
Ditto Printing	9.70 per cent.	16.93 per cent.
Ditto Biscuit-making	18.82 per cent.	35.43 per cent.
Average wages	£29 17s. 5d.	£41 13s. 11d.

(Pages 223-224.)

(5) The Minimum Wage Is Not a Maximum.

Where the minimum wage has been established, the fear that the minimum might prove also the maximum wage has not proved well grounded. On the contrary, the usual variation in wages appears to operate after a minimum has been set by law below which wages may not sink.

An investigation into the effects of the minimum wage made in Oregon by the Federal Government showed that the percentage of women receiving $9.25 (legal minimum for experienced adults in Portland department stores) increased from 8.4 per cent. to 22.4 per cent. That this minimum did not also prove to be the maximum wage was shown by the fact that the percentage receiving *over* $9.25 per week increased also, rising from 40.6 per cent. to 44.8 per cent. The proportion of the total force getting over $12 likewise increased.

A Living Wage By Legislation. The Oregon Experience. Rev. Edwin V. O'Hara, *Chairman, Industrial Welfare Commission of Oregon. State Printing Department, Salem, 1916.*

The Oregon wage rulings have now been in effect two years, and when proper deductions are made for the financial depression through which we have been passing, the general tendencies of the legislation should be apparent. Fortunately, a painstaking investigation was undertaken jointly by the Federal Industrial Relations Commission and the U. S. Department of Labor concerning the effect of minimum wage determinations in Oregon, especially in the mercantile industry. The report of this investigation was published as Bulletin 176 of the U. S. Bureau of Labor Statistics, July, 1915. The investigators examined the records of forty department, dry-goods, five and ten cent, specialty and neighborhood

stores for March and April, 1913, and the same months of 1914—periods ending five months before and beginning five months after the first minimum wage determinations went into effect. It was confidently predicted that the wage rulings would supplant female labor by male labor; that the higher paid employees would be reduced in wages and that the average wage would not be increased. The investigators report on these points as follows:

> 1.—Men have not taken women's places.
>
> 2.—The minimum rate of pay for the experienced adult workers was raised in all occupations. The percent. of the force receiving $12.00 and over increased after the wage determinations. (Page XV.)

Massachusetts Minimum Wage Commission. Bulletin No. 12, November, 1916. Preliminary Report on the Effect of the Minimum Wage in Massachusetts Retail Stores.

The direct effect of the minimum wage is indicated by the large number who, in 1916, were scheduled to receive between $8 and $9 a week. The proportion of all women in this wage group rose from 27.0 per cent. and 27.7 per cent. in 1914 and 1915, respectively, to 45.8 per cent. in 1916. In 1916, moreover, 1,591, or the great majority of the women in this group, were paid $8.50, while in 1914 and 1915 most of them (1,079 and 1,037, respectively) were paid only $8. The introduction of the minimum wage has not apparently affected the number of women receiving $9 or more a week. Certainly, the minimum wage has had no tendency to become a maximum. (Page 27.)

Principles of Labor Legislation. JOHN R. COMMONS *and* JOHN B. ANDREWS. *Harpers, New York, 1916.*

It is frequently declared that legal minimum wage rates tend to become maximum wage rates, thus injuring those whom they are expressly designed to benefit. This does not, however, appear to be generally the case. Both the chief factory inspector at Melbourne, Victoria, and the secretary of the British Board of Trade declare

that as far as their experience goes current wages are not held down to the minimum set by law.* The former official even declares that "the average wage in a trade is invariably higher than the minimum wage." In one Victorian industry, clothing, after an award had been in force for six years, wages averaged nearly 20 per cent. higher than the legal minimum. The establishing of minimum rates in the clothing trades in Great Britain led in several districts to trade union action which fixed standard rates considerably above the legal minimum. In Portland, Ore., also, the United States Bureau of Labor Statistics found that the proportion of women getting more than the legal minimum increased after the law went into effect. (Page 192.)

United States Bureau of Labor Statistics. No. 176. Women in Industry Series. No. 6. July, 1915. Effect of Minimum Wage Determinations in Oregon.

Any rate lower than $6 a week was practically abolished in the 40 stores after these determinations went into effect. The per cent. receiving $6 was slightly increased and the per cent. receiving $9.25 (the legal minimum for experienced adults in Portland) was increased from 8.4 per cent. to 22.4 per cent. The per cent. of the force receiving over $9.25 per week was increased from 40.6 per cent. to 44.8 per cent. The average rate of pay for all women employed in the 40 stores increased 41 cents per week in 1914, or from $9.92 to $10.33 per week. (Page 18.)

Prior to the rate determinations 26.2 per cent. of the girls under 18 years of age received less than $6, 53.1 per cent. received $6, and 20.7 per cent. received more than $6. In the 1914 period but one got less than the legal minimum. Almost 80 per cent. were getting exactly $6, while the proportion receiving more than $6 remained the same, namely, 20 per cent. The fact that 20 per cent. were still receiving more than $6, although in a group for which the awards stipulated only that they should be

* Irene Osgood Andrews, *Minimum Wage Legislation*, pp. 62-63, 77-78.

paid not less than $6, shows that employers did not reduce wages of minors to the minimum permitted by the wage determinations, but continued to pay wages as before on the basis of the value of the services rendered. The rate for the 145 minors employed in all stores prior to the wage determinations averaged $5.93, or 7 cents less than the legal minimum rate afterwards fixed by the industrial welfare commission. The average rate of pay for these girls under 18 years increased 31 cents per week after the wage determinations. (Page 20.)

The $6 ruling had very little direct effect on the rate of pay of inexperienced adult women, as only 9 women whose age and experience were known to place them in this group were getting less than $6 in the 1913 period. The average rate of pay per week for these women was decreased by 4 cents. The old employees were not reduced, but the place of a $28 or a $30 a month girl was filled by a $26 girl. Fifty-nine per cent. of these women received more than $6 before the minimum-wage determinations; only 50 per cent. received more than that after the determinations. The proportion receiving $9.25 per week or more was increased, however.

It is evident that the minimum-wage determinations have been followed by a reduction in the rate for some adult inexperienced women. This may have been due to the unfavorable business conditions in 1914; it would not follow that the same reductions would have occurred in a good business year. (Pages 21-22.)

In Salem only a few experienced adult women (14) were affected by the State-wide minimum of $8.25. None was found at just that rate. In the 1914 period only 7 were found receiving a rate as low as the legal minimum, $8.25. A larger per cent. than in 1913 was reported at $9.25 and a larger per cent. at rates higher than $9.25. The average rate reached $10.12 in April, 1914, an increase of 30 cents over 1913. (Page 23.)

TABLE 16 (CONDENSED).

Actual Number of Women and Girls Receiving Classified Weekly Rates of Pay Before and After Minimum-Wage Determinations, With Per Cent. of Increase or Decrease After Determinations, for Specified Occupations, as Shown by the Pay Rolls of Six Portland Department, Dry Goods, and Five and Ten Cent Stores.

Occupation.	Women whose weekly rates of pay were within each classified amount.											Women whose weekly rates of pay were within each classified amount.								Total number.	Average rate of pay.
	Under $5	$5 to $5.99	$6	$6.01 to $6.99	$7 to $7.99	$8 to $8.49	$8.50 to $9.22	$9.23 and $9.25	$9.26 to $9.99	$10 to $10.49	$10.50 to $10.99	$11 to $11.99	$12 to $12.99	$13 to $13.99	$14 to $14.99	$15 to $15.99	$16 to $17.99	$18 to $19.99	$20 and over.		
Saleswomen:																					
Before determinations.	64	40	39	26	24	145	43	83	6	47	17	47	36	24	9	32	28	11	17	738	$9.63
After determinations.	1	....	68	21	33	38	8	175	21	64	15	66	45	20	6	27	27	14	15	654	$10.69
Increase (+) or decrease (−)—																					
Number	− 63	− 40	+ 29	− 5	+ 9	− 107	− 35	+ 92	+ 15	+ 17	− 2	+ 9	+ 9	− 4	− 3	− 5	− 1	+ 3	− 2	− 84	+$1.06
Per cent	−98.4	−100.0	+74.4	−19.2	+37.5	−73.8	−81.4	+110.8	+250.0	+36.2	−11.8	+19.1	+25.0	−16.7	−33.3	−15.6	− 3.6	+27.3	−11.8	−11.48	+11.01
Total:																					
Before determinations.	85	[5]57	250	118	56	[2]238	84	147	14	103	24	87	105	46	23	50	66	27	52	[4]1,632	$9.69
After determinations.	3	.....	[2]270	[5]52	61	64	13	[3]338	29	104	20	89	96	39	18	36	51	33	49	[4]1,365	$10.15
Increase (+) or decrease (−)—																					
Number	− 82	− 57	+ 20	− 66	+ 5	− 174	− 71	+ 191	+ 15	+ 1	− 4	+ 2	− 9	− 7	− 5	− 14	− 15	+ 6	− 3	− 267	+$0.46
Per Cent	−96.5	−100.0	+ 8.0	−55.9	+ 8.9	−73.1	−84.5	+129.9	+107.1	+ 1.0	−16.7	+ 2.3	− 8.6	−15.2	−21.7	−28.0	−22.7	+22.2	−5.8	− 16.4	+ 4.75

[1] woman worked in 2 occupations.
[2] women worked in 2 occupations.
[3] women worked in 2 occupations.
[6] women worked in 2 occupations.
[8] women worked in 2 occupations.

(Pages 48-49.)

A detailed examination of the rates received, as shown in the above table, reveals not only that the proportion but the actual number getting over $9.25 but under $12 increased after the wage determinations, in spite of the 17.6 per cent. decrease in the total female force. (Page 50.)

Massachusetts Minimum Wage Commission, Bulletin No. 7. September, 1915. The Effect of the Minimum Wage Decree on the Brush Industry in Massachusetts.

The increases in wages which have occurred under the operation of the decree are shown in the following tables, affording comparison between earnings in 1913 and earnings in 1915. The percentage of women workers who earned less than $6 in the week selected for comparison was 61.4 in 1913 and only 19.8 in 1915. The percentage earning over $9 increased from 10.2 to 19.4 showing that wages have tended to increase even above the minimum,* or, in other words, that the minimum does not tend to become the maximum. (Page 7.)

* At 15½ cents an hour the minimum for fifty-four hours is $8.37.

Weekly Earnings for the Second Week in June, 1913; by Occupations.

OCCUPATIONS.	NUMBER AND PER CENT. OF WORKERS EARNING—															
	UNDER $4.		$4 AND UNDER $5.		$5 AND UNDER $6.		$6 AND UNDER $7.		$7 AND UNDER $8.		$8 AND UNDER $9.		$9 AND OVER.		TOTAL.	
	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.
Brush making.	13	9.4	38	27.6	42	30.4	17	12.3	16	11.6	5	3.6	7	5.1	138	100
Finishing.	14	10.1	44	31.9	41	29.7	10	7.2	7	5.1	6	4.4	16	11.6	138	100
Setting.	9	12.7	8	11.3	10	14.1	19	26.7	10	14.1	9	12.7	6	8.4	71	100
Nailing.	4	13.3	5	16.7	12	40.0	5	16.7	1	3.3	1	3.3	2	6.7	30	100
Cementing.	4	18.2	5	22.7	6	27.3	3	13.7	2	9.1	1	4.5	1	4.5	22	100
Packing and shipping. . .	1	4.5	11	50.0	6	27.3	3	13.7	..	..	1	4.5	..	..	22	100
Drawing.	4	20.0	4	20.0	2	10.0	3	15.0	1	5.0	.	..	6	30.0	20	100
Soldering.	8	61.5	1	7.7	1	7.7	3	23.1	..	..	.	..	..	..	13	100
Hammering.	..	..	..	..	3	60.0	2	40.0	..	..	.	..	..	..	5	100
Less than ten workers. . .	2	5.0	5	12.5	5	12.5	4	10.0	5	12.5	6	15.0	13	32.5	40	100
Miscellaneous machine processes.	4	30.7	2	15.4	3	23.1	2	15.4	1	7.7	.	..	1	7.7	13	100
More than one process. . .	..	..	..	..	3	33.3	2	22.3	3	33.3	.	..	1	11.1	9	100
Total.	63	12.1	123	23.6	134	25.7	73	14.0	46	8.8	29	5.6	53	10.2	521	100

(Page 8.)

Weekly Earnings for the Second Week in June, 1915; by Occupations.

OCCUPATIONS.	NUMBER AND PER CENT. OF WORKERS EARNING—															
	UNDER $4		$4 AND UNDER $5.		$5 AND UNDER $6.		$6 AND UNDER $7.		$7 AND UNDER $8.		$8 AND UNDER $9.		$9 AND OVER.		TOTAL.	
	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.	Number	Per Cent.
Brush making,	5	2.9	15	8.9	13	7.7	24	12.2	80	47.3	15	8.9	17	10.1	169	100
Finishing,	2	2.4	4	4.7	12	14.1	20	23.5	23	27.1	7	8.2	17	20.1	85	100
Setting,	1	1.8	6	10.7	7	12.5	7	12.5	6	10.7	13	23.2	16	28.6	56	100
Nailing,	.	..	..	..	..	..	1	5.9	2	11.8	3	17.6	11	64.7	17	100
Cementing,	.	..	..	..	2	20.0	2	20.0	5	50.0	..	..	1	10.0	10	100
Packing and shipping,	.	..	..	..	3	15.0	5	25.0	3	15.0	2	10.0	7	35.0	20	100
Drawing,	2	9.1	2	9.1	1	4.5	4	18.2	1	4.5	7	31.8	5	22.8	22	100
Soldering,	.	..	..	..	..	..	1	20.0	3	60.0	1	20.0	..	..	5	100
Hammering,	.	..	..	..	1	33.3	..	..	2	66.7	..	..	..	..	3	100
Less than ten workers,	1	1.7	1	1.7	8	14.1	6	10.5	14	24.6	9	15.8	18	31.6	57	100
Miscellaneous machine processes,	3	10.0	3	10.0	1	3.4	21	70.0	1	3.3	..	..	1	3.3	30	100
More than one process,	2	18.2	..	..	1	9.1	2	18.2	3	27.2	2	18.2	1	9.1	11	100
Total,	16	3.3	31	6.4	49	10.1	93	19.2	143	29.5	59	12.1	94	19.4	485	100

(Page 9.)

Biennial Report of the Washington Industrial Welfare Commission, 1913-1915.

Summary of Wage Survey. Mercantile Employment.

The table showing the number receiving from $10.00 per week up to $35.00 and over in 1913 and 1914.

Wage.	1913.	1914.
$10.00	370	1,323
10.50	13	26
11.00	72	132
11.50	8	11
12.00	355	372
12.50	16	13
13.00	22	38
13.50	37	36
14.00	60	42
14.50	2	6
15.00	164	194
15.50	2	0
16.00	27	33
16.50	15	25
17.00	14	18
17.50	26	33
18.00	65	57
18.50	4	5
19.00	5	5
19.50	4	6
20.00	57	71
21.00	3	1
22.00	23	23
25.00	37	42
27.50	7	3
30.00	9	10
35.00	9	6
over 35.00	5	10
	1,431	2,541

These figures show that the minimum wage for women as established in these industries a few months ago has proved beneficial to the mass of the working girls and injurious to practically none; that there has been no tendency to throw the girls out of employment because of the increased wage; that there has been no tendency, as was feared by even some of the supporters of the minimum wage law, to level down the wage of the better paid girls to equalize the increase made in the wages of the lower paid; that there has been no tendency for the minimum wage to become the maximum wage, but that on the contrary, the wages of the better paid girls have actually increased in a degree to correspond to the increase of the lower priced girls, and that the employers of the state have been attempting to follow out the letter and the spirit of the minimum wage law. (Pages 80-81.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. I. Report of Commission.

The arguments in support of wage legislation may be summarized as follows:

There is no reason to fear that the minimum wage will become the maximum. It has not proven to be so in those industries where it has been tried. In Australia, for instance, women making a certain grade of clothing have a minimum wage of $9, but the average wage is $10.50. There is not as much reason why a minimum fixed by law should become a maximum as if it is fixed by the trade union, and yet in the garment industry in New York City, the minimum fixed by the protocol is by no means the maximum, which in some instances is 50 per cent. more. Individual differences would still be recognized, and as long as individual differences exist and no limitations are placed on production, there is no reason to fear the minimum becoming the maximum. (Page 45.)

Ibid. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of Bruno Lasker, Investigator for the Rowntree Foundation, York, England.

The objection that the minimum wage will tend to become a standard or maximum wage.

It is too early as yet to judge the ultimate effects of minimum wage legislation in Great Britain; but so far there have been no signs at all that the declaration of a minimum wage in a given trade hinders the general upward tendency of wages. This may possibly be due chiefly to the fact that British legislation has been limited definitely to the case of the sweated worker and that it has not, as has Australian legislation, affected the wages of large numbers of men. Also the scheduling of new trades has coincided with general good trade. In the scheduled trades, wages during the last few years seem to have increased all around, that is, not only in those branches to which the law applies. On the whole, it may be said that the determination of minimum wage acts very much in the same way as the declaration of a standard rate of wages by a trade union; both tend to become the normal rather than the minimum. (Page 712.)

Ibid. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chap. I. Victoria.

It has often been asserted and sometimes with considerable force, that the minimum wage set by a special board tends to become the maximum or standard rate. In 1904 this declaration was made by no less an authority than the Select Committee of South Australia. Dr. Clark has also noted the tendency toward what would be called in this country, a "union wage".* In the opinion of Mr. Aves absolute uniformity of rating in any occupation was quite the exception, especially in skilled trades.† Yet he admitted that the proportion of workers receiving a wage above the minimum might often be a

* Bulletin of the U. S. Bureau of Labor, No. 56, p. 65.
† Aves, p. 49.

small one. In order to arrive at a clear opinion of actual conditions, recourse should be had to statistical evidence. Although this is largely lacking, there is some instructive data available. . . .

During the early history of the special board system, reports were rife that the minimum wage was the maximum wage. It appears that statements to this effect were commonly circulated by manufacturers and others anxious to discredit minimum wage legislation. In 1901, the Chief Inspector of Factories made a sweeping denial of this charge. (Page 1896.)

Since the early period of depression, wages in the boot trade have generally maintained a high level. In 1910 the legal rate for beginners was 5s. per week but it was the general custom of employers to pay 7s. 6d. for the first year's experience.* Of the plate glass trade it has more than once been said, "the minimum wage is not by any means the maximum."† Notwithstanding the difficulties attending the determination of the Artificial Manure Board, owing to the downward revision of rates by the Court of Industrial Appeals, employers did not find it necessary to waive all discretion in the payment of wages. In 1907 an inspector stated that in the majority of cases the rates paid exceeded those provided by the Court. Such has been the experience of three fairly representative trades. (Page 1897.)

Without dwelling at further length upon individual instances, it may be said that the general tendency illustrated by these examples is also confirmed by such statistical evidence as is available. Through the kindness of Mr. Murphy, the Chief Inspector of Factories of Victoria, we are able to compare the legal minimum with the average wage paid in some of the representative trades. The following table prepared by Mr. Murphy in March, 1914, includes all of the trades where a direct comparison is possible. It will be seen that the average wage paid in these trades is in excess of the legal rate.

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* Victoria, Report of the Chief Inspector of Factories, 1910, p. 20.

† Victoria, Report of the Chief Inspector of Factories, 1906, p. 35, 1908, p. 47.

TABLE No. 14.

A Comparison of the Average Minimum Wage Paid in Certain Trades with the Statutory Minimum Wage as Fixed by the Wages Board Determination for the Particular Trade.

Board	Year Ending 31st December, 1910		Year Ending 31st December, 1912	
	Wages board rate	Average wage paid	Wages board rate	Average wage paid
Bread Carters	40/	40/10	48/	48/8
Boot	54/	55/8	54/	56/11
Dressmakers	16/	21/9	21/6	26/5
Furniture (bedding)				
Males	50/	52/4	57/	61/10
Females	25/	26/4	27/6	28/3
Furniture (cabinet making)				
Females	25/	27/2	27/6	29/9
Jam trade	...	....	48/	48/8
Livery stable	...	....	42/	44/8
Milliners	22/6	31/5	22/6	32/4
Organ	58/	64/8	58/	61/5
Process engravers	...	....	62/	83/6
Underclothing	20/	21/1	20/	23/9

NOTE.—In the other trades this comparison cannot be made as there is more than one minimum wage and it is not possible to ascertain from the records collected the proportion of employees at the different classes of work.

It is not to be inferred from what has been said that this question is entirely one sided. Indeed there is evidence to the contrary. . . . In the aerated water trade wages have steadily inclined toward a standard rate. In 1907 several inspectors reported a number of employees in their districts to be receiving more than the legal rates. In 1909 we are told that the determination rates are exceeded in some cases. After that year not a single statement of this character was made. Nothing but a general dead level of wages can be inferred from the annual reports of the Factory Department.*

* *Ibid.*, 1910, p. 16.

. . . In trades such as boot-making, clothing, underclothing, shirtmaking, and breadmaking, the minimum wage has clearly not become the maximum. In others it is evident that a standard rate is being closely approached. (Pages 1898-1900.)

But without minimizing any of the opposing evidence, it can by no means be said that the minimum wage has become the maximum. Although this charge is still made by some Australian employers, as Professor Hammond has observed, they have been unable to furnish definite facts to back up their statements.* The following conservative opinion expressed by Mr. Murphy in March, 1914, is quite significant in this regard.

> "I do not think the tendency to make the minimum wage the standard wage has been increasing in recent years, because the supply of labor in this State has been low. It is possible that this may be effected whenever it should happen that the supply of labor is greater than the demand, but I do not think we will ever reach a time when a good and highly skilled workman will not be able to command considerably above the legal rate."†

Chapter II. New Zealand.

The wage, therefore, tends to be fixed at what in the opinion of the Court is a "fair rate". Mr. Aves went so far as to say that the minimum rate was the recognized standard for the average man in any given trade.‡ But Dr. Clark cites some of the earliest awards of the Court in which this tendency was departed from. By one of these given in 1897, the wages of the Wellington seamen were raised $2.50 per month. A similar advance was made in the Canterbury carpenters' award of the same year. Although wages were thus sometimes lifted above

* Annals of the American Academy of Political and Social Science, 48:33.

† From a written statement to the writer.

See also Appendix III, p. 62, of the Third Report of the N. Y. State Factory Investigating Commission, 1914.

‡ Aves, p. 100.

the average previously prevailing in an industry, it was the only thing to be done if strikes were to be prevented during a period of rising prices and profits.* (Page 2014.)

Partially because the general wage standard has been lifted since the inception of the arbitration law, it has been claimed that the minimum wage fixed by many awards has become the maximum. Where a high minimum is fixed there may be a tendency for this to be the case. Dr. Clark observed "that the relation of the maximum to the legal minimum wage varies in different trades with different local conditions and with the more or less perfect adjustment of the individual awards to the conditions and customs of the industry they cover."† In the main the Court has not endeavored to lift wages arbitrarily upon a wholesale plan, but has fixed minimums conditioned upon the prosperity of an industry as well as upon the needs of the worker. Consequently, the great bulk of wage rates has been fixed by the employers above the minimums of the Court. (Pages 2038-2039.)

Chapter IV. Wage Legislation in Western Australia, South Australia, Queensland, and Tasmania.

South Australia.

Along with the prosperity of the employer has gone the prosperity of the worker. Wages in practically all lines of employment have been substantially raised. This statement is borne out by successive reports of the Factories Department. In 1911, the Chief Inspector reported that wages in all trades showed an upward tendency of from 5 to 10 per cent. over those of 1909. Inasmuch as there had been no pronounced advances, it was his opinion that the increase might be regarded as stable.‡ Partly because of the healthy condition of business, the minimum wage fixed by the boards has seldom become the maximum. Even so early as 1905,

* Bulletin of the U. S. Labor Bureau No. 49, p. 1206.
† Bulletin of the U. S. Bureau of Labor, No. 49, p. 1207.
‡ Report of the Chief Inspector of Factories, 1911, p. 4.

the Chief Factory Inspector said: "So far I have not heard of any case of leveling down of the higher paid workers, and the increased wages fixed for the lower paid hands has merely resulted, so far as can be seen at present, in a demand for more experienced workers."* Speaking of wage rates in 1909, he stated that in every class of business the rates of the boards were below those paid by the best employers.† In regard to the average rates of wages in trades subject to board determinations, he said: "The returns show in every case a slight increase on the rates fixed by the boards."‡ The wages paid to brickmakers, carpenters, furniture hands, and iron workers have been considerably above the minimum rate. This has also been true in the case of shirtmaking and white work. Jewellers and opticians, as well as painters and decorators, have not fared so well. It is thus evident that the remuneration of the great number of workers has not been fixed by the boards. (Pages 2184-2185.)

Queensland.

Notwithstanding general increases in rates of wages, many of which are due to board determinations, there is no evidence to show that the minimum rate has generally become the maximum. Of the callings in which board rates were made, there were some fifty instances listed by the Chief Inspector in 1913 where the average wage of a trade was higher than the prescribed rate, and about thirty instances where the opposite was the case. These comparisons were listed under eight distinct classes of industry, such as food and drink, lighting and heating, engineering, printing and others. In general, minimum wages have been based upon the rulings of the Commonwealth Court, although there has been difficulty in fixing rates for married and single men. That the average wage is relatively as high as it is, is prob-

* Report of the Chief Inspector of Factories, 1905, p. 2.
† Report on the Working of the Factories Act, 1909, p. 7.
‡ Report on the Working of the Factories Act, 1909, p. 8.

ably due to the fact that in most instances a real minimum has been established. (Page 2192.)

The Australian Experience With Wages Boards. M. B. Hammond, *Vice-Chairman, Industrial Commission of Ohio. The Survey, February 6, 1915.*

It has often been asserted that the minimum wage fixed by a wages board soon tends to become the maximum wage in that trade, and while it may benefit the poorly paid workers, does so at the expense of the better paid, and tends to lessen individual self-reliance. The same argument is of course made against any system of collective bargaining. I do not deny that there may be some truth in this contention. Many employers in Australia believe this to be true, and I have no reason to doubt the sincerity of their declarations. I am bound, however, to say that I was unable to prove the truth of the assertion, even though I made considerable effort to gather evidence on this point.

In New Zealand an employer who told me that he was convinced that the minimum tended to become the maximum, admitted that there was not a single worker in his own establishment, including some 200 or more employees, who was not receiving more than the minimum wage which the arbitration court had fixed. I received substantially the same information from another employer in Melbourne, who was making the same claim. (Page 501.)

In the city of Auckland, of 2,458 workers whose wages were fixed by the arbitration court, 948 received the minimum wage, and 1,510, or 61 per cent., received above the minimum. In Christ-church, there were 2,788 workers whose wages were fixed by the arbitration court; 1,127 of them received the minimum, and 1,661, or 59 per cent., received more than the minimum. In Dunedin, of 1,637 employes, 792 received the minimum wage, and 845, or 51 per cent., received more. These are the figures for three of the leading cities in New Zealand. (Page 502.)

Minimum Is Not a Maximum.—Australasia

A New Province for Law and Order: Industrial Peace Through Minimum Wage and Arbitration. Henry Bournes Higgins, *High Court of Australia, Melbourne [President since 1907 of the Court of Conciliation and Arbitration]. The Harvard Law Review, November, 1915.*

A New South Wales wages board gave in the case of Builders' Labourers,* the lowest rate to scaffolders, and the highest to hodmen. The Victorian wages board gave the highest rate to scaffolders. The New South Wales board gave a low rate to demolishers; the Victorian board gave the highest rate. The Federal Court, when it came to act, prescribed a flat minimum rate for all the labourers, and the employees were satisfied. They knew that a man of exceptional value as a scaffolder or in any other capacity would still be able to demand and obtain a rate higher than the minimum. It is often said that the minimum rate tends to become the maximum, but there has been no proof of such tendency as yet. (Page 36.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

That the "minimum tends to become the maximum" is a familiar criticism upon the policy of Trade Unions in fixing standard rates instead of allowing employers to "pay each man what he is worth". It has never, so far as we are aware, been substantiated by any considerable volume of evidence. In practice in the most strongly organized industries, whether piece-work or time-work trades, there is in most firms a considerable range of earnings among workers belonging to the same profession; and if it is not the case that the Trade Union standard rate tends to become the maximum, there would appear *a fortiori* to be still less reason why the low minimum rates fixed by a Trade Board should re-

* Builders' Labourers, 7 Com. Arb., 210 (1913).

sult in the earnings of the highest paid workers being reduced. Nor do inquiries among employers and workers lend any support to the idea that this has hitherto happened on any considerable scale. Cases have been found, it is true, when as a result of the Trade Board's determination a firm has substituted time-work for piece-work, on the ground that compliance is easier when every one is paid a weekly wage than it is when workers are earning varying amounts, though paid the same piece-work prices. It is true also that in a few firms certain piece-prices have been reduced; for the effect of the Board's determination was to cause many firms to revise all their rates, and though the result of the revision was usually a rise, it sometimes happened that certain prices were found to be abnormally high,* and that, in the process of making a general readjustment, these were cut down. A few instances, moreover, have come to our notice in which firms appear deliberately to have recouped themselves for the advance which they were obliged to give the most poorly paid workers, by forcing a reduction on the better paid workers. (Pages 86-87.)

Such action, however, appears to be quite exceptional. (Page 87.)

As far as our own evidence as to what has hitherto taken place is concerned, it does not suggest either that the higher paid workers are likely to be reduced to the minimum of 6d. per hour, except at periods when a general reduction would, apart from any action of the Trade Board, have taken place, or that 6d. an hour is likely to be the maximum above which men now entering the trade will never rise . . . Indeed, if the Trade Board has any influence upon the wages of time-workers who are already paid above the minimum, its tendency seems to be to raise, rather than to depress, them. (Page 89.)

That the minimum has not become the maximum, but has given an impetus to agitation among even the better

*Thus some firms paid unusually high rates on certain kinds of work which very rarely came in. If workers complained, the firm would say that they would have their turn at this highly-paid work. But there was so little of it as scarcely to affect their earnings.

paid sections of the industry, is shown by the agreements which the Trade Unions in the clothing trade have been able to negotiate in the course of the past year. (Page 90.)

The Establishment of Legal Minimum Rates in the Box-making Industry Under the Trade Boards Act of 1909. The Ratan Tata Foundation (University of London). M. E. BULKLEY. *With Introduction by* R. H. TAWNEY. *Bell, London, 1915.*

An important question is whether the increase in wages secured by the more poorly paid section of the workers has been counteracted by any reduction in the earnings of the more highly paid. In a few cases time-work has been substituted for piecework, with the result that the more expert workers have suffered. And in some cases where piece-rates have had to be readjusted, while the rates for the commoner class of work have been raised, the rates for better-class work have fallen. In at least one case there has come to our notice that higher wages seem to have been deliberately cut down; the rise in the rates paid to outworkers which was necessitated by the Trade Board's determination was balanced by a lowering of the wages paid to the best workers inside the factory; if any worker had been earning more than the minimum the employer was of the opinion that she had been overpaid and everyone was brought down to the same level. In another firm, when the minimum rates were proposed, a notice was posted up to the effect that any advance in such of the rates as were below the Trade Board's minimum would be followed by a reduction in the rates which were above it. (Page 40.)

But the great majority of employers whom we questioned declared that there was no tendency for the minimum to become the maximum. Indeed, in several cases, the better paid workers have had their wages raised instead of lowered. "Everyone is getting more now," said one employer, "even those who previously earned the minimum rate." The raising of the wages of the worst paid to the minimum created discontent among

the better paid unless their wages also were raised. And where the piece-rates have had to be increased the quick workers naturally benefit as well as the slower ones. (Pages 40-41.)

Bulletin of the United States Bureau of Labor, No. 49. November, 1903. Labor Conditions in New Zealand. VICTOR S. CLARK.

There are sometimes greater differences between the legal minimum and the highest wages paid. The Otago award fixes the wages of journeymen painters at 30 cents an hour for an eight-hour day, but wages in Dunedin were said to run as high as 43 cents an hour and to be customarily above the award minimum. (Page 1171.)

An iron works superintendent: "The minimum wage is not the maximum wage with us. We sack a poor man when we can get a good man, and pay him more than the award. That's most profitable for us, and keeps the men cheerful." (Page 1207.)

A labor member of Parliament: "Painters and carpenters here are getting from $0.73 to $0.97 a day more than the award minimum." (Page 1208.)

A labor member of Parliament: "On the whole, the effect is not to put wages on a dead level."

A factory inspector: "My experience is that most employers pay more than a minimum wage to some employees. In the bookbinding trades in my district all but one employee receives more than the minimum wage, which is $9.73 a week. They get from $12.17 a week up." (Page 1208.)

Another factory inspector: "It is the general rule here to pay over the minimum wage." (Page 1208.)

Third Report of the New York State Factory Investigating Commission, 1914. Appendix 3. Minimum Wage Legislation.

The following list of questions concerning the operation of the minimum wage law in Victoria was sent by

the New York Factory Investigating Commission to the office of the Chief Factory Inspector at Melbourne:

"First. Does the minimum wage become the maximum?"

. . . In response the following statement was received: (Page 228.)

"It is frequently asserted in this State that the minimum becomes the maximum, but our official figures show that this is not the case. I am sending by separate packet a book containing all the existing factory laws of Victoria, and a copy of my latest annual report. If you will kindly refer to Appendix B you will see what the average wage in the trade is. A further reference to Appendix D will give you the wages in any particular trade. I regret that I have not figures which will precisely answer your question, but a careful comparison will show that the average wage in a trade is invariably higher than the minimum wage. I do not know that there is any exception to this in Victoria." (Page 229.)

The following list of questions concerning the operation of the minimum wage law in England was sent by the New York Factory Investigating Commission to the Office of the Board of Trade at London:

"First. Does the minimum wage become the maximum?"

. . . In response the following statement was received: (Page 243.)

"I am directed by the Board of Trade to say that, as the Trade Boards Act has only been in operation for a comparatively short period, they consider that it is yet too early to express a definite judgment on its indirect and ultimate results.

"The Board are of opinion, however, that provisional replies, based on the experience so far obtained of the working of the act, may be given to the questions contained in your letter, as follows: (1) The board are not aware of any general tendency among employers to reduce rates to the minimum allowed by law in cases where higher rates have been paid in the past. On the contrary, there is reason to suppose that the better organ-

ization of the workers, which has been observed to have taken place in the trades to which the act has been applied, tends to prevent the legal minimum rate from becoming in fact the maximum. (Pages 243-244.)

Report of Chief Inspector of Factories of Victoria. 1902.

Boot Trade.

Mr. Billingham reports:

The minimum wage has not proved the maximum in this trade, as many of the better workmen are paid more, some receiving as much as 15s per week over the minimum, proving that a good workman will always be paid much above the minimum or even average wage. (Page 15.)

Report of Chief Inspector of Factories of Victoria. 1906.

Plate Glass Board.

Mr. Billingham reports:

Every factory visited and employees questioned. This determination is being well observed, and working smoothly. The minimum wage is not by any means the maximum, as many employees receive over the legal rates. (Page 35.)

Shirt Board.

Miss Shay reports:

The Workers are principally all on piecework, and able to earn considerably more than the minimum wage. In the cases of those receiving a weekly wage, I have found determination complied with. (Page 38.)

Report of Chief Inspector of Factories of Victoria. 1907.

Artificial Manure Board.

Mr. Billingham reports:

In the majority of cases the employees are being paid higher rates than those provided by the Courts of Indus-

trial Appeals (36s), and feel dissatisfied that the rate provided by the board (40s 6d) should have been reduced. (Page 15.)

Jam Trade Board.

Miss Mitchell reports:

The determination is well complied with, the majority being paid a piece-work rate, which averages considerably more than the minimum wage. (Page 41.)

Report of Chief Inspector of Factories of Victoria. 1908.

Bread Board.

Mr. Collopy reports:

Wages are still being paid in excess of determination rates. Every adult worker questioned by me confirmed the above statement. (Page 21.)

Mr. Duncan reports:

Those that come under my inspection are in the majority of cases paid more than the legal rate. (Page 22.)

Mr. Austin reports:

In most cases the men working at this trade are receiving above the legal wage. (Page 22.)

Brick Trade Board.

Mr. Rowe reports:

I find that in the majority of the yards rates in excess of the determination are being paid, and I have received no complaints. (Page 24.)

Plate Glass Board.

Mr. Billingham reports:

The minimum wage for this trade is not by any means the maximum. Many of the employees receive more than the legal rates, and there have not been any cases of breach of determination. (Page 47.)

Underclothing Trade.

Miss Mitchell reports:

The determination in this trade is working well. I

have not had any complaints. I find the wages paid are far in excess of the minimum for skilled workers. (Page 55.)

Report of Chief Inspector of Factories of Victoria. 1909.

Shirt Board.

Mr. Ingham reports:

I can only repeat my report of last year, that this determination is being satisfactorily carried out and most of the boys receive far above the minimum rates. (Page 65.)

Underclothing Board.

Miss Thear reports:

The minimum wage in this trade is 16s. The board has not thought it necessary to raise it, as, owing to the scarcity of competent hands, more than that amount can be readily earned by proficient hands. In a room where 172 hands are employed (mostly on piece work), 107 are earning more than the minimum wage of 16s, and there are only six who earn the bare 16s.

Miss Shay reports:

This trade is not largely represented in my district. The majority of workers are being paid weekly wages, and it is pleasing to note the minimum wage is not the maximum paid, by any means.

No evasions have come under my notice during the year. (Page 69.)

Report of Chief Inspector of Factories of Victoria. 1910.

Milliners Board.

Miss Cuthbertson reports:

Though the increase in the minimum wage is a substantial one, I do not expect to find any marked increase in the average earnings of those employed, owing to the small number working who receive the minimum. (Page 54.)

Minimum Is Not a Maximum.—Australasia

Report of the New Zealand Department of Labor. 1902.

It is my pleasant duty once more to report a prosperous year for the laboring classes in New Zealand. The steadiness of employment, the extension of industries, and the improvements in regard to wages, hours of work, overtime pay, etc., have made the position of the workers generally more endurable than it has been for many years.

It was asserted that when the court fixed a minimum wage in a trade, that wage tended to become an average wage or even a maximum. Such a system would scarcely be possible in a large business, or even a go-ahead small one, for a capable workman knows his own value too well to work under such conditions, and if an employer wants to keep up with or to surpass his competitors he must get the most efficient hands he can find or pay for. It is true, however, that when a workman leaves his old employer and gets new work, he often has to start on a minimum wage, but if he is a valuable man he does not long remain at that rate. In practice, however, it is found that the best men leave the minimum wage far behind, and there has been no proof presented that during the last two or three years—during which most of the awards have been made, any suffering has been caused by the institution of a minimum wage, while the benefit to the majority of workers is indisputable. (Page 5.)

Report of the New Zealand Department of Labor. 1909.

In Table 6, appended to this report, appears the result of an investigation, as far as factories are concerned, into the extent to which the Arbitration Court in fixing a minimum wage has or has not lowered the average wage, or injured high rates for especially good workers. It has so often been asserted with blind confidence that every award of a minimum wage has "levelled down" all wages, that it will come as a surprise to the general public to find how few workers have to accept the minimum wage, which is not, as has been so often stated, "the award wage", but a limit of wage below

which no persons in that particular trade may be paid. In the bootmaking trade, for instance, in Auckland 66%, in Wellington 85½%, in Christchurch 66%, and in Dunedin 50% of the workers receive wages above the minimum wage. In Auckland 91%, in Wellington 57½%, in Christchurch 50% and in Dunedin 26% of the cabinetmakers receive above the minimum wage named in the award. Plumbers and gasfitters receiving wages above the award minimum are: In Auckland 66%, in Wellington 19%, in Christchurch 84%, in Dunedin 59%. It is of no use laboring the matter here by quoting figures too profusely, since the whole state of the case can be seen by any person studying the table, but the investigation has served to prick one of the bubbles so freely blown by opponents of the act when trying to gain the sympathy of those whose wages have been for years protected by the industrial courts from the undercutting of unscrupulous mates or the forcing down methods of greedy exploiters. (Page 13.)

Report of the New Zealand Department of Labor. 1910.

Comparison Between Minimum Rates Under Awards and the Actual Rates Paid.

However, there is sufficient evidence to show that in our manufacturing industries at least an average of 50% of the workers compared received more than the rate granted in the awards of the Court of Arbitration. Such a result must be exceedingly gratifying to those interested in the industrial legislation of the Dominion, especially in view of the fact that opponents of the act have stated in and out of season that the majority of workers are receiving only the minimum wage, and that the work accomplished by the first-class man gets no more recognition than that of the ordinary employee who makes no special effort to deserve extra monetary reward. If this allegation is true in regard to workers outside manufacturing industries—which I very much doubt—the figures quoted by the department in this report hardly bear out the contention in regard to many of our leading manu-

facturing industries. I find in regard to the cities the returns show that in Auckland, out of 2,119 employees compared, 782 receive the minimum rate and 1,337 in excess, equal to 63%. Wellington, 1,513 employees have been compared, 535 of whom receive the minimum rate and 978 in excess of the minimum, or 64%. In Christchurch, 2,367 have been compared, 869 of whom receive the minimum rate and 1,498 in excess of the minimum, or 63%. In Dunedin, 1,375 employees have been compared, of whom 599 receive the minimum and 776 in excess of the minimum, or 56½%. (Pages 11-12.)

British Sessional Papers. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. ERNEST AVES.

Absolute uniformity of rating in any occupation appears, however, to be quite the exception, and in most trades, especially in those ranking as "skilled," it may, I think, be assumed that a certain proportion, even though it be in some cases only a small one, would receive a wage that was above the minimum, this proportion varying according to the character of the firm and the class of work. (Page 49.)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

. . . We must first get clearly before us the distinction between the fixing and enforcing of a minimum, and the fixing and enforcing of a wage. What is here in question (as in all factory legislation) is a minimum, not a maximum, still less any actual decision that the wage shall be such or such sum. It ought not to be necessary to point this out. (Page 6.)

Here we have, in fact, the lesson of actual experience from a whole century of industrial history. It is only

necessary to watch the operation, in trade after trade, of analogous common rules, many of them enforced by law. These common rules, like the legal minimum wage, are always *minima*, not *maxima*. Every employer prefers to be free to do whatever he chooses; to compete in any way he pleases, on the downward way as well as on the upward way. But the enforcement in any industry, whether by law or by public opinion, or by strong trade unionism, of a standard rate, a normal day and prescribed conditions of sanitation and safety, does not prevent the employer's choice of one man rather than another, or forbid him to pick, out of the crowd of applicants, the strongest, the most skillful, or the best conducted workman. The universal enforcement of a legal minimum wage in no way abolishes competition for employment. (Page 7.)

The Trades Board Act at Work. S. C. Moore. *The Economic Journal, London, September, 1913.*

These returns also shed light upon that most interesting and important problem as to whether there is any danger of a legal minimum wage becoming the actual maximum. Of the 134 who received advances, 111 had to receive them in order to bring their earnings up to the sum required by the act; but the remaining twenty-three were getting the minimum before they received the advance. These twenty-three were evidently considered by their employers to be worth more than the lower-paid men, and when the wages of lower-paid men were compulsorily raised they were given a corresponding increase. This seems to indicate that whatever causes have tended to produce variation of wages in the past will continue to operate after a minimum has been fixed by the Trade Board. (Page 445.)

Minimum Is Not a Maximum.—Great Britain

Report of the National Anti-Sweating League. 1913. Manchester, 1914.

The progress of this Union clothiers' operatives throws an interesting light upon the fear of which much was made when the Act was passing through Parliament that any minimum rate fixed would tend to become the maximum. Growing strong in the Leeds district, the chief centre of the tailoring trade, the Union demanded, and eventually obtained from the employers there, the fixation of minimum rates appreciably higher than those fixed by the Trade Board. Instead of 3¼d. an hour for women and 6d. for men the effective minimum rates in the Leeds area are now 4d. and 8d., the higher rates being as clearly traceable as the lower ones to the establishment of the Trade Board in the industry. These figures, illustrative of the increases that the Clothiers' Union is beginning to win for its members in the centres of the tailoring industry, go some way also to confirm the soundness of the policy of the Boards when they fixed their minimum rates to apply to the whole country. It was the view of those who favored this course that, on top of the universal minimum, the forces that originally determined the relative levels of district wages would continue in activity, and the case of Leeds shows the expectation well founded. (Page 18.)

(6) Effect on Employment: Displacement of Workers.

The fear that minimum wage determinations lead to a wholesale dismissal of women workers and their displacement by men, not subject to the law, has proved groundless. The federal investigation of retail stores in Oregon, made five months after the minimum wage decree went into effect, showed that no effort had been made to fill women's positions by men and that little if any loss of employment among women can be attributed to the minimum wage rulings. The loss of employment in retail stores during 1914 is clearly due to other obvious causes such as the effect of the countrywide business depression and certain local changes. One of these was the new policy of charging for alterations of garments inaugurated in 1914 by the Portland Retail Merchants Association. This automatically reduced the demand for such work and led to the dismissal of 48 per cent. of the alteration force. The reduction of working hours and a 6 p. m. closing regulation operated further to reduce the labor force aside from any increase in wages.

In Australasia, similar fears as to the dismissal of workers under the wage board system have also been disproved. In some trades there has been a temporary decrease of workers after a wage determination, but in each case other factors have contributed, aside from the increase in wages, and after the period of adjustment, industry has followed its normal course.

Investigation of the effects of minimum rates in the tailoring trade in Great Britain corroborates these facts and furnishes additional evidence of their truth.

For Working Women in Oregon. CAROLINE J. GLEASON, *Former Secretary Industrial Welfare Commission of the State of Oregon. The Survey. September 9, 1916.*

In June, 1913, a law became effective in Oregon which made illegal the employment of women and minors for wages too small to keep them in health, for unreasonably long hours and under insanitary conditions of work.

The Industrial Welfare Commission, composed of three persons, one representing the employers, one the employees, and one the public, was charged with the administration of the law. The commission was organized early in June and began work immediately. Six months later wage and hour determinations affecting approximately 25,000 women and minor girl wage-earners in all industries in the state had been issued. . . .

Subsequent enforcement of these orders brought out their weaknesses and unregulated conditions which needed attention. In March of the present year, therefore, the commission assembled conferences to recommend revisions of its former orders, to suggest standards of wage rates for piece workers and hour and wage standards for minor boys. In June, the commission issued a revised code of rulings on wage, hour and sanitary conditions of work which affects the employment of approximately 35,000 women and minor workers. The general provisions of this code require:

. . . 9. A graduated wage scale for apprentices employed at time rates. The apprenticeship period of one year is divided into three equal periods of 4 months each with the beginning wage fixed at $6 a week and a raise of $1 a week required at the end of each 4 months. . . .

The most important of these provisions is the graduated wage scale for the inexperienced workers. The former apprenticeship ruling had failed to insure beginners the training and the permanent positions at the end of the apprenticeship period, which it had been designed to secure. This was because some employers dismissed girls as soon as the first year had expired or shifted them

to slightly different work in new departments, thus starting them on a second year of apprenticeship at the $1 a day wage. This evasion has been responsible for many of the statements that Oregon wage legislation is not successful, but common report has greatly exaggerated the extent of the abuse. An accurate count of the number of girls dismissed at the end of the first year's service has not been obtained, but certain facts are known which indicate that the number is much smaller than is generally supposed:

(1) The system was confined almost entirely to a few mercantile stores.

(2) Those so dismissed were in departments where the work is unskilled, such as wrapping, stockroom, etc., which are considered non-productive departments. No case has been reported of a saleswoman who was dismissed at the end of her apprenticeship.

(3) Young women dismissed for inefficiency, dull seasons, personal grudges of department heads, etc., were led to believe that the law was responsible.

(4) Payrolls of mercantile stores for the years of 1914 and 1915 show numerous advances in salary to girls first employed at apprentice wages. (Page 585.)

United States Bureau of Labor Statistics. No. 176. Women in Industry Series. No. 6. July, 1915. Effect of Minimum Wage Determinations in Oregon.

Although this study of the effect of minimum-wage determinations was as comprehensive as the situation would permit, the numbers of women affected in the State of Oregon were too small and the time for adjustments both for the business interests concerned and the State authorities was too short to allow the results of the study to do more than show tendencies. This study can not be assumed to show the ultimate effects even in Oregon.

The general business depression of 1914 was felt by Portland mercantile establishments, and injected into the problem of determining the effect of the minimum

wage another factor of material influence. A depression in business automatically reduces the numbers employed. (Page 7.)

It is therefore important to guard against confusing the effects of depressed business with the effects of minimum-wage determinations. The problem in Oregon was further complicated because a reduction of legal working hours and a 6 p. m. closing regulation took effect at the same time as the wage orders.

Notwithstanding all the difficulties and complications, a number of conclusions can be drawn concerning changes in conditions of labor after the minimum-wage determinations.

Certain readjustments occurred in Portland stores such as might be expected even in a normal business year. The establishment of three new departments and the elimination of two other departments requiring different grades of labor brought about the employment of some women and the dismissal of others. A policy of charging for alteration of garments, inaugurated in 1914 by the Portland Retail Merchants' Association, decreased the demand for alterations, thereby necessitating a reduction in the number of women employed in the workroom, a department paying relatively high wages.

The effect of the country-wide depression manifested itself in a marked reduction in sales in many stores. This operated to decrease the labor force, both male and female.

Throughout this discussion the influence of these factors must be borne in mind as they account very largely for the decrease in the number of women employees. The decrease in total numbers bears little or no relation necessarily to the minimum-wage determinations, but the dismissal of particular women rather than others, because they had completed their apprenticeship period and must therefore be paid a higher wage if retained, can be considered as due to the determinations.

Girls under 18 years of age have increased, especially in the errand, bundle-wrapper, and cashier occupations, but not in the more skilled work of selling, sewing, or of the office. (Page 8.)

The wage determinations have not put men in positions vacated by women. The causes operating to decrease the number of women also operated to decrease the number of men, though to a less degree, as the nonselling male force is not as adjustable as the nonselling female force. (Page 9.)

Numbers Employed Before and After Minimum-Wage Determinations.

Changes in Numbers Employed Compared With Amount of Sales.

During the months of March and April, 1913,* there were 1,919 women and girls employed in the 24 Portland and 7 Salem stores for which the amount of sales could be obtained, the other 9 stores employing but 11 women. Many of these women worked but a fraction of a month in this period.† The irregularity of employment which occurs in a two-month period renders the actual numbers employed an inexact basis for comparison of the work given to women in the two years. By dividing the total hours which these women worked in the period studied in each year by the establishment hours for the same period in each year, the number of full-time workers possible in each period is ascertained. Table 2 shows that the 1,919 women whose names appeared on the pay rolls in the 1913 period were equivalent to 1,498 full-time women, and that the 1,634 women employed in the 1914 period were equivalent to 1,332 full-time workers. The percentage of difference between these full-time workers measures the real decrease in the number of women workers in 1914. The decrease in the numbers of full-time women since the wage rulings was approximately 11 per cent. as compared with an 8 per cent. decrease in total sales.

* Conditions peculiar to one firm's business rendered these months not comparable in the two years; the records for September in 1913 and 1914 were therefore substituted.

† No "extras" or "contingents" are included in this discussion, which has to do with regular employees only.

TABLE 2.

Actual Number of Women and Girls Employed and Their Equivalent in Full-Time Workers, and Total Average Weekly Sales Before and After Minimum-Wage Determinations, in 24 Portland and 7 Salem Retail Stores.

Type of store.	Actual number of women and girls employed.			Equivalent number of full-time workers.			Per cent of increase (+) or decrease (−) in actual number of men employed.	Total average weekly sales.		
	Before determinations.	After determinations.	Per cent of increase (+) or decrease (−).	Before determinations.	After determinations.	Per cent of increase (+) or decrease (−).		Before determinations.	After determinations.	Per cent of increase (+) or decrease (−).
PORTLAND.										
Department, dry-goods, 5 and 10 cent stores	1,632	[1] 1,345	−17.6	1,269	1,100	−13.3	− 8.8	$175,338.83	$158,356.12	− 9.7
Specialty stores	167	181	+ 8.4	127	139	+ 9.4	+16.7	19,302.85	20,657.92	+ 7.0
Neighborhood stores	[1] 23	[1] 12	−47.8	22	12	−45.5	−10.5	4,821.42	3,228.13	−33.1
Total	[1] 1,822	[1] 1,538	−15.6	1,418	1,251	−11.8	− 7.7	199,463.10	182,242.17	− 8.6
SALEM.										
Dry-goods, specialty, and 5 and 10 cent stores	97	96	− 1.0	80	81	+ 1.2	None.	7,416.53	8,079.70	+ 8.9
Grand total	[1] 1,919	[1] 1,634	−14.9	1,498	1,332	−11.1	− 7.4	206,879.63	190,321.87	− 8.0

[1] Nine neighborhood stores, employing 11 women and 6 men in 1913 and 8 women and 4 men in 1914, did not report sales, and have therefore not been included in the table; nor does it include 20 saleswomen whose regular employment began with the opening of a new department on the last day of the period covered in the investigation.

In the department, dry-goods, and 5 and 10 cent stores there was approximately a 13 per cent. loss of employment among women in the 1914 as compared with the 1913 period; the total sales decreased 9.7 per cent. A detailed study of occupations, however, shows that the possible number of full-time saleswomen decreased only 9 per cent., which fairly corresponds with the decrease in sales. The excessive losses occurred in the workrooms, among the bundle wrappers, and the miscellaneous help. These heavy decreases are attributed to several causes not directly associated by employers with the minimum-wage legislation. A policy of charging

for alterations, inaugurated by the Portland Retail Merchants' Association in 1914, reduced the demand for this sort of work to such an extent that the alteration force was cut down 48 per cent., resulting in a reduction in the total workroom force of one-third. In certain stores the public restaurants and soda fountains, with the occupations incident to those departments, were abolished. Unnecessary messenger service was done away with in 1914. . . .

Little, if any, of the loss of employment among women as a group can be related to the minimum-wage determinations. Decreased business, curtailing of alteration help and messenger service, and elimination of departments operated largely in producing the 11 per cent. decrease in the numbers of full-time women employed.

The force of 974 men employed in the 1913 period in the 40 stores studied decreased 7.4 per cent. in the 1914 period, a change in close correspondence with the reduction in business. In Portland stores where business decreased the actual number of men decreased less rapidly than the actual number of women. In Portland stores where an increase in business occurred there was a greater increase among men than among women. Obviously no general displacement of women by men can have occurred. Furthermore, a detailed study of occupations disclosed little attempt to fill with men the positions left vacant by women. A few such adjustments in the office have been made, but they were made to permit the completion of work not always finished at 6 p. m., the latest hour that women could be employed in the store. (Pages 12-13.)

Massachusetts Minimum Wage Commission, Bulletin No. 7, September, 1915. The Effect of the Minimum Wage Decree on the Brush Industry in Massachusetts.

The reinspections made by the agents of the Commission furnish a basis for conclusions as to changes in the numbers employed. For 16 of the 19 brush firms employ-

ing women numbers were available for both 1913, when the original inspection was made, and 1915, the year following the decree, when the third inspection was made. (One firm refused information concerning male employees in 1915, one was out of business in 1915, and one had not been inspected in 1913.) For these 16 firms the total number of women employed has increased from 332 to 334; the total number of minors employed has increased from 36 to 51; and the total number of men employed has decreased from 472 to 417. (Page 11.)

It is obvious, therefore, that for this industry the establishment of minimum wages has not had the effect at times prophesied for it, namely, of throwing many women and minors out of work and encouraging instead the employment of men and the few skilled women. It is of course possible that if there were available the numbers employed by the firm which refused information concerning men the conclusions in this respect would be changed. In such an industry as the one under consideration, however, where the opposition to the principle of minimum wage is said to have influenced to some extent the policy of the firm referred to in employing labor, the effect upon the industry as a whole is the more significant aspect.

It will be seen from the figures quoted above that owing to the decrease in the number of men, the total number of all classes employed in these 16 establishments has decreased from 840 to 802. This conclusion is reinforced by the advance figures furnished by the Massachusetts Bureau of Statistics, which show that the average number employed decreased from 1,566* in 1913 to 1,435† in 1914. It is significant in this connection that the unemployment situation throughout the industries of the State has been almost an unprecedented one during the last twelve months, and that decrease in employment in this industry is therefore but an aspect of a general tendency. In discussing the percentage of unemployment for the quarter ending Dec. 31, 1914, the following state-

* Statistics of Manufactures for 1913, p. 3.
† Advance material furnished by the Bureau of Statistics.

ment is made by the Massachusetts Bureau of Statistics* regarding unemployment in trade union membership:

The present percentage is higher than any corresponding percentage reported since the Bureau began to collect statistics of this character at the close of March in 1908 when (immediately following the severest stress of the period of industrial depression which began in the fall of 1907) the percentage was 17.9. (Page 12.)

Fourth Report of the New York Factory Investigating Commission, 1915, Vol. I. Report of Commission.

The arguments in support of wage legislation may be summarized as follows:

That a minimum wage would throw out of employment a large group of workers has not been the experience in those countries where it has been tried, and if wage boards increase the wages of the low paid workers gradually, no such disaster would follow. It is based on the alleged fact, a fact not established through any investigation of the subject, that the worth of an employee's service is exactly known; that the girl who receives $3.50, $4.50 or $6.00 is exactly worth that sum to the employer. The subdivision of labor makes it very difficult for the employer to compute the exact value of the work done by each girl, but however unskilled her work may be, she is a necessary part in the process of completing the article and therefore of importance. We would not say that the spark plug of an automobile is as valuable as the automobile itself, yet without the spark plug the automobile is useless as a vehicle. However, it is desirable to eliminate the incompetent and defective workers from competition with competent ones. They now freely compete with the competents, thus driving down wages. This group is by no means as great as is sometimes assumed, for even now, at any wage, the employer selects the most capable persons obtainable. (Pages 43-44.)

* Bureau of Statistics, Twenty-eighth Quarterly Report on Unemployment in Massachusetts, quarter ending Dec. 31, 1914, p. 1.

Ibid. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of Frank H. Streightoff, Professor of Economics, DePauw University, Indiana.

Professor M. B. Hammond in his studies in Australasia found evidence that no employers had been driven out of business by the minimum wage laws, and that few workers had been displaced. Four years of experience in England have witnessed no great expulsion of labor by the action of the Trade Boards. The following letters show that American experience as far as it goes gives no warrant for the fears that business will be seriously injured and that idleness will be increased by enforced minimum wages:

November 30, 1914.

I have your letter of November 28th regarding the fixing of the minimum wage in this state. . . .

You ask whether this or other labor legislation has driven business out of the state. We are in possession of no information to indicate that this is the case. The brush rate is very generally being paid and we know of no instance of employers being driven out. . . .

Yours very truly,
(Signed) Amy Hewes,
Secretary,
Minimum Wage Commission, Massachusetts.

December 2, 1914.

I have your letter of November 28th requesting information concerning the effect of the enforcement of the minimum wage law in this state. We have not heard that employees have been laid off because the law has gone into effect, with the exception of a very few instances. One exception was in the case of a department store which laid off the employees in the wrapping, transfer and stock taking departments, because the girls had been there a year, therefore had completed their apprenticeship under ruling in force and were entitled to a

raise from $6 to $9.25 a week. As these occupations are all unskilled, the firm dismissed the former employees and took on new ones. This is an abuse which the Commission had rather expected. Since our fears have been realized, we have called conferences for the purpose of making recommendations which will shorten the term of apprenticeship or establish a step-up wage during the year, thus minimizing the danger of dismissal. In some departments the apprenticeship period may be done away with almost entirely.

We have not heard of a single firm which had to go out of business because of the operation of the law. Last evening I heard the secretary of the Oregon Manufacturers' Association say that he knew of no one who had gone out of business and was convinced that the law had not done the harm that it had been expected to do. . . .

Very truly yours,
(Signed) Caroline J. Gleason,
Secretary,
Industrial Welfare Commission of Oregon.

December 1, 1914.

. . . I am in a position to state that this law has not resulted in driving any employer to the wall or compelled him to leave the state. I can also positively state that I do not know of a single employee who is suffering the loss of employment because of this law.

Sincerely yours,
(Signed) H. T. Haines,
Commissioner,
State Bureau of Immigration, Labor and Statistics, Utah.

This matter of displacement of labor is really the crux of the question of the desirability of the minimum wage. (Pages 671-672.)

Statement of Bruno Lasker, Investigator for the Rowntree Foundation, York, England.

Displacement of Labor.

As far as I have been able to find out, down to the outbreak of the war, the state of employment in each of the scheduled trades was higher than before the enactment and, as a matter of common knowledge, each of the industries was sharing the general boom through which we have been passing. Employers' organizations appear to have used this law to strengthen their organizations and to bring in large numbers of small employers who were previously standing out. These men, undercapitalized, using inadequate and slip-shod methods of production, and underpaying their workers, were often also undercutting prices; and although unable to compete successfully with the larger and more modern establishments in their branch of industry, they were a constant source of irritation. It appears that the necessity of having their interests represented on the Wage Board has driven these small employers in large numbers into their trade organizations; and in consequence, the trade papers, which one would expect to be most hostile to the act, are as a matter of fact accepting it with very good grace. The act itself provides for exemption in the case of slow and inefficient workers. If the scheduling of the trades had coincided with a period of industrial depression it is possible that one would have heard more of the loss of employment on the part of the subnormal workers, but under the circumstances the provisions in the law were quite sufficient to prevent any considerable hardships from arising. It is important to note that none of the trades scheduled in 1909 are protected against foreign competition. (Page 713.)

Statement of James F. Adams, Vice-President, The Canister Co., Phillipsburg, N. J.

The argument that the inferior or inefficient worker would be thrown out of work is worthless, as no one to-day keeps the inefficient worker when he can get better

help. The minimum wage would not tend to bring all wages to that level, as the only way to keep efficient and experienced help is to pay them a consideration to keep them from floating. All successful firms do this to-day and will continue to do so. (Page 787.)

Fourth Report of the New York State Factory Investigating Commission. 1915. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chap. I. Victoria.

It is often said that whenever wages are suddenly and arbitrarily raised by the force of legislative authority, that labor is apt to suffer from a general reduction in the number of workers. That this has been the actual result in many trades in Victoria is not denied. During the years 1897-1900 the problem of enforced idleness on the part of laborers became so serious that a board of inquiry on unemployment was authorized, which reported to Parliament in 1900. (Page 1903.)

The period of the greatest unemployment distress was from 1898 to 1902. New markets due to the formation of the Commonwealth were not as yet influential. The country had not yet emerged from a slough of commercial despondency and no provision had been made in the Wages Board Acts for the old, infirm or slow worker. Consequently some of the trades were seriously affected. Scores of boot and shoe workers were jobless. But if there had been no minimum wage law in effect, the same condition would have obtained. Improvements in machinery had caused the supply to exceed the demand. With an overstocked labor market, mechanical substitutes for hand power, and greater productive speed, the result was inevitable. (Pages 1903-1904.)

But eventually the trade recovered its balance and the labor market was readjusted. The fact that the number of adult males employed in the trade increased from 1,897 in 1900 to 2,861 in 1912, and the number of females from 600 to 1,571 during the same years is conclusive evidence that the trade was not permanently injured by the enactment of a higher wage standard.

In another of the initial board trades, the clothing industry, the average wage of 4,484 employees was raised 2s. 9d. per week by the determination of 1897. This was equivalent to the sum of £32,060 12s. for a whole year's work. Many women who formerly did homework were forced into the factory, while some were left without employment. The number of persons employed in the trade in January, 1898, was 208 less than at the same time in the previous year. But at the close of the year 1898 returns were given for 249 more employees than were on the books at the beginning. In the light of these facts it cannot be said that the employment of adult workers was lessened by the determination.*

The fear of a wholesale discharge of workers due to higher wage standards has frequently been voiced as the board system has been extended from trade to trade. But the actual history of the trades in question has not confirmed these predictions. The tinsmith's determination in 1905 was greatly feared, but very few dismissals resulted.† In 1909 the draper's trade came under a determination and had a similar experience.‡ The testimony of Mr. Aves is in line with the history of these trades. In reply to a general question as to whether there was personal knowledge of any cases, either of employer or employees being driven out of business by the wage boards, 49 out of 82 replied in the negative. It is especially significant that this answer was given by 21 out of 25 of those representing the employees.§ It can hardly be maintained that a permanent demoralized labor market has resulted from the enforcement of wage legislation.

Although comparatively little hardship to workers has resulted in the majority of trades, and none at all in some of the most typical and best known industries, it is not contended that no dismissals have occurred in branches coming under the board regime. On the con-

* Report of the Chief Inspector of Factories, Victoria, 1898, p. 8.
† Victoria, Report of the Chief Inspector of Factories, 1905, p. 33.
‡ *Ibid.*, 1909, p. 40.
§ Aves, pp. 61 and 187.

trary, the opposite is the case. Of a list of 17 trades coming under a determination from 1903 to 1910 and having a continuous history from 1900 to 1912, 9 showed a decrease in the number of adult male workers, while there was an increase in 8. The variation was calculated for the determination year over the immediately preceding year when the trade was under no wage restraints. In a similar group of 6 trades employing females, 3 show a decrease, 2 an increase, while 1 remained practically stationary as to the number of adult workers employed during the determination year. Another group of 27 trades employing males in which determinations took effect during 1901 and 1902, shows a decrease for 15, an increase for 10 and a stationary condition for 2. While these figures are not conclusive, they are indicative of the fact that there has been a smaller number of adult employees during the determination year in about half of the industries considered. (Pages 1904-06.)

About half of all the trades mentioned in this connection had fewer adult employees immediately after the board determination took effect. As we have seen, special and local influences may have been responsible for this condition in some cases. But the important fact to remember is that in only three instances was a decreased number of employees during the determination year associated with a permanent decline in the number of workers occupied in the trade, and in only six did a stationary condition obtain. The great majority of industries have flourished and employed a larger number of hands with each succeeding year, once the period of readjustment is past. This indicates that the greater part of the unemployment caused by the higher wage standards is one of adjustment. The prosperity and growth of industry is the best proof that the adjustment has been successfully made. (Pages 1909-1910.)

Chapter II. New Zealand.

The fact that the amount of unemployment has steadily decreased to what it is to-day, is of outstanding signifi-

cance in showing that the arbitration act has not caused this form of industrial and human distress.

But unemployment is not the only side of the labor market. There has been a positive phase as well. In 1900 the Labor Department reported that the demand for workmen exceeded the supply. The shortage of female help was such that in many tailoring, clothing, and dressmaking establishments more orders were received than could be executed.* Other reports tell the same story. In 1907 the operations of a large boot factory were so hindered by the lack of female workers that the manager had to bring in thirty girls from Leicester, guaranteeing them work for two years at 30s. per week.† Although the number of factory employees has increased yearly, the proportion of women employed has grown constantly smaller.‡ While racially this is not without its advantages, it has been a serious economic hindrance. (Page 2030.)

Taken as a whole, the problem of unemployment has been overshadowed by the greater problem of how to secure labor. Whatever effect the arbitration law has had upon the welfare of the laboring classes in New Zealand, it has not thrown men out of work. Its effect if any, has rather been to steady the permanence and continuity of employment. (Page 2036.)

Chapter VI. Summary and Conclusions.

That workers may be dismissed following the application of wage regulation to an industry, is a fact sustained by the experience of Australasia. In New Zealand many *bona fide* workers were thrown out of employment during the early years of the arbitration law.§ There was also considerable distress among the boot and clothing workers of Victoria.¶ Many of the old, inefficient, and slow workers were discharged. But in each case

* Report of the Dept. of Labor, 1900, p. 1.
† Aves, p. 89.
‡ Report of the Dept. of Labor, 1911, Diagram 3.
§ *Supra*, p. 2028.
¶ *Supra*, p. 1904.

other factors than labor legislation figured in the situation. We have seen that in the board trades of Victoria there has frequently been a decrease in the number of employees immediately after a determination became effective, but that in almost every instance this decline was only temporary.* After the period of adjustment, industry pursued its normal course. This seems to have been the general experience in this and other states. (Page 2243.)

The Establishment of Minimum Rates in the Tailoring Industry Under the Trade Boards Act of 1909. R. H. TAWNEY. *The Ratan Tata Foundation, (University of London). Bell, London, 1915.*

One of the commonest objections brought against all attempts to establish minimum rates of payment is that their effect must be to produce or to increase unemployment. This criticism is far older than the Trade Boards Act of 1909. (Page 162.)

The dislocation caused by the first application to an industry of a minimum wage is, in fact, a particular case of a general and much more extensive problem, and must be judged not in isolation, but in reference to it. Any argument against the Tailoring Trade Board based merely on the fact that it had made more precarious the livelihood of the older and slower workers, would be at least equally valid against the introduction of power-driven sewing machines, or, indeed, against the erection of factories themselves. (Page 165.)

The statement of many of the firms whom we have interviewed, that in the twelve months following the Trade Board's determination they have been busier than in the twelve months preceding it, and that they have been unable to obtain sufficient workers, is itself a *prima facie* reason for supposing that the total number of workers employed in the tailoring industry cannot as yet have been seriously, though, owing to increased output per head, it may have been slightly, diminished. This con-

* *Supra*, p. 1909.

clusion is consistent with the fact that advances in wages have been secured in the past year by operatives in the clothing trade over and above the minimum fixed by the Trade Board; for, if employment had been diminished, it is not likely that wages would have been raised. All that these facts mean is, of course, that the clothing trade as a whole has been exceptionally active during the past twelve months, and that its prosperity has not suffered from the establishment of minimum rates by the Trade Board. When trade begins to fall off, there will, no doubt, be the usual growth of unemployment.

Such a state of things is, however, quite compatible with the displacement of particular groups of workers because employers do not regard them as worth the higher rates. Our impression is that the Trade Board's determination has caused a reorganization of the learnership system which is likely to cause fewer workers between fourteen and eighteen to be employed in the future, a considerable number of dismissals of slower adult women in the districts where wages have in the past been lowest, and a quickening of the already existing tendency to concentrate in factories work which would previously have been given out to be done in the workers' homes. (Pages 166-67-68.)

The question whether many dismissals have actually taken place we have attempted to answer by inquiries among employers and workpeople, the result of which are set out in the following table. It gives the number of firms in different districts which state that they have dismissed one or more workers as a result of the Trade Board's determination. The information relates exclusively to adult workers employed on the premises of employers. It does not refer either to learners or to home-workers. (Pages 173-174.)

Out of 95 firms giving information on this point, 36 state that they have dismissed one or more adult workers as a result of the Trade Board's determination; and dismissals appear, as would have been expected, to have occurred most commonly in those districts where the advance in wages has been greatest. Clearly some em-

ployers have been led by the Trade Board to consider whether certain workers were worth employing, and have answered that question in the negative. In certain cases the proportion of workers dismissed by a firm has been considerable. Usually, however, it has been comparatively small. Among the 36 firms mentioned above, there was 1 which, soon after the Trade Board rates had become obligatory, had dismissed 37 per cent. of its women workers, 1 which dismissed 20 per cent., 1 which dismissed 16 per cent., 3 which dismissed 10 per cent., 2 which dismissed 7 per cent. It is not meant, of course, that in each case these proportions were dismissed simultaneously, but that these proportions were dismissed between the date when the minimum rates became obligatory and the date when information on the subject was obtained by us. What our evidence suggests, indeed, is not the wholesale reduction of the staffs previously employed, but the drifting away of one or more workers from this firm and one or two workers from that, sometimes at considerable intervals of time. That, in spite of some striking reductions in the number employed by particular firms, this gradual displacement has been the rule in firms which have dismissed any of their employees is, on the whole, suggested by the statements of the workers who have given us information on this point. (Pages 175-176.)

It is only in rare cases that our informants have been able to point to any dismissal of workers *on a large scale.* At Newcastle, where a Trade Union secretary was interviewed, no cases of dismissal were known to him; at Hebden Bridge only five cases had occurred between February, 1913, and February, 1914, a number whose smallness is the more remarkable because of the very large increase in men's wages which took place there. Out of 70 workers at Leeds, Manchester and Liverpool, 2 had been actually dismissed, 11 (all working at different firms) had been threatened with dismissal unless they earned the minimum rates fixed by the Trade Board, 8 had heard of cases in which dismissals had taken place.

Out of 52 interviewed at Birmingham, Bristol,* Swindon and Colchester, 3 had been dismissed themselves, 15 had been threatened with dismissal, 6 had heard of workers being dismissed. Without stressing this information too much, one may say that it does not suggest that any large body of workers have been displaced because they were not worth the minimum. Of the dismissal of any considerable number of men we have no evidence at all. The largest number of women workers dismissed from any one firm that has been brought to our notice is 40. (Page 177.)

Since time is required in order that the new standards may be adopted, the immediate displacement of workers on the first application of the minimum rates is no proof that the workers displaced will be permanently excluded from the employment even of the firms which dismissed them. In two of the most serious cases of workers being displaced which have come to our knowledge, dismissal followed by re-engagement is, in fact, what actually happened. (Page 179.)

It seems to us, therefore, that, except in comparatively rare instances, no serious displacement has hitherto taken place in the tailoring trade through the operation of the minimum rates. . . . The prognostications of numerous dismissals as the result of an advance in wages appear, indeed, to overlook the fact that the personnel of every industry is constantly changing in the normal course of events, through the influx of new workers and the efflux of old workers. That influx is likely in the future to take place somewhat more slowly, because with higher wages and better management each worker produces more, and it is significant that the dismissals brought to our notice have usually been dismissals of young workers. But, since the trade is constantly growing, there is no reason to anticipate any considerable unemployment of workers who are already in the trade.

. . . It is probable that, as wages are raised by the Trade Board, the larger output per head will cause the

*But we have had indirect evidence that there have been a considerable number of dismissals, especially of young girls, at Bristol.

number of persons in the tailoring industry to increase somewhat less rapidly from decade to decade. But it would be equally unreasonable to describe that result as implying that the Trade Board had been productive of unemployment. (Pages 181-182-183.)

The Establishment of Legal Minimum Rates in the Box Making Industry under the Trade Boards Act of 1909. The Ratan Tata Foundation, (University of London). M. E. BULKLEY. *With Introduction by* R. H. TAWNEY. *Bell, London, 1915.*

The most serious question is, of course, the dismissal of adult workers. This danger was present to the minds of the framers of the Trade Boards Act, and provision was made in the Act to guard against it. (Pages 58-59.)

It will be seen that out of ninety-six firms, employing some 6,800 women workers, only thirty-two replied that they had dismissed any of their women, the number affected being not more than 300, or about 4.4 per cent. The numbers dismissed are, it must be admitted, only a very rough estimate, for it was frequently difficult to get a more precise answer than that "several", "a few", or "one or two" had been dismissed. There is reason to believe that in some cases the number discharged was greater than the employer admitted. And in other cases, when the employer himself, perhaps, had dismissed none of his workers, he declared that other firms were discharging large numbers. "The Act has hit the inefficient worker," said a Birmingham employer, "and large firms are discharging them frequently." "Inefficient workers are being dismissed all around," said another employer in the Midlands; "I have had numbers sent to me to employ, but it is impossible to do so if the minimum wage of 13s. is to be paid." The proportion of dismissals seem, as might naturally be expected, to be greatest in towns such as Birmingham and Norwich, where the Trade Board's determination caused a considerable increase in wages. In Birmingham a worker told us that there had been "a great shift round" among the em-

ployees, owing partly to the many dismissals of slow workers, partly to the greater alertness of the more efficient workers in trying to better themselves. But, on the whole, it would appear that up to June, 1914, at any rate, the establishment of minimum rates had not led to any large displacement of labour. (Pages 59-61.)

Our general impression from the evidence which has come before us is that, while a certain number of adult workers have been dismissed, the appearance of anything like unemployment on a serious scale, as a result of the minimum rates, has not yet taken place and is not likely to take place in the future. The belief that those below a certain standard of capacity would be "squeezed out", and that the number so displaced would be considerable, rests upon an assumed fixity and stationariness of industrial relationship which does not, in fact, exist. On the one hand, there are very few workers of whom it can be said that they are and must always be "inefficient". The inefficiency ascribed to them is relative to the conditions under which they work. When those conditions are altered through the advance in wages brought about by the Trade Board, the result is often the introduction of further changes such as have been described in Chapter IV, which enable them to earn the minimum rates without difficulty. On the other hand, irrespective of any effects which can be ascribed to the minimum rates, the personnel of every industry is constantly changing in the ordinary course of events through the entry into the trade of young workers and the departure from it of those of an advanced age. (Page 63.)

The Effect of Minimum Wage Legislation Upon British Industry. B. Seebohm Rowntree, (*Director in the Firm of Rowntree and Co. Ltd., Manufacturers of Cocoa*). *Financial Review of Reviews. London, July, 1914.*

Before concluding I must refer to a few general considerations which are of importance. It must be borne in mind, in contemplating any fixing of minimum wages,

that no employer can be forced by law or by the pressure of the workers to employ men permanently at a loss. There is, therefore, a definite limit beyond which wages cannot be raised without throwing many workers out of employment. But the limit is not so low as the average employer would often have us suppose. He does not allow for the economies in the cost of production which can, if necessary, be brought about in his own factory, nor for increased efficiency on the part of better paid workers. For the reasons stated in this article I believe that wages could be raised to the efficiency level in all industries without causing any serious amount of unemployment.

But this is not to say that it would be wise in every trade to fix wages at this level immediately, or to fix exactly the same wages for the whole country, irrespective of differences in the cost of living. The right course to adopt would be to extend the present system of Wage Boards to all trades where low wages are paid. The precise level at which wages should be fixed in each trade would then be discussed in great detail by representatives of the employers and workers in the presence of three independent persons whose votes, in case of even voting between employers and workers, would determine the issue. If in any industry it could be proved by the employers that the immediate raising of wages to an efficiency level would lead to widespread unemployment, it would be wise to make advances gradually, fixing, however, a date, possibly two or even three years ahead, by which the efficiency minimum must be reached. Wages have increased enormously during the last fifty years through trade union action and from other causes, but there is no tendency for unemployment to increase. So long, therefore, as such a reasonable consideration is accorded to the conditions governing each industry as would be given by Trade Boards, there is no cause to fear any appreciable increase in unemployment as a result of the fixing of efficiency wages by law. There may be slight local and temporary dislocations, but such dislocations accompany almost all industrial developments. (Pages 784-785.)

(7) Benefit to Industrial Peace.

The establishment of minimum wage boards has tended towards creating industrial peace. Instead of resorting to strikes and lockouts, employers and employees are brought into co-operative relations.

For Working Women in Oregon. Caroline J. Gleason *Former Secretary, Industrial Welfare Commission of the State of Oregon. The Survey, September 9, 1916.*

Certain intangible results, equally as important as the wage determinations, have been brought about through the operation of the law. The method of administration—boards composed of employers, employees and representatives of the public—has brought employer and employee together on common ground and has given each a realization of the other's difficulties, while the employee has been made to feel her value as an individual to the community. (Page 586.)

A New Province for Law and Order: Industrial Peace through Minimum Wage and Arbitration. Henry Bournes Higgins, *High Court of Australia, Melbourne.* [*President since 1907 of the Court of Conciliation and Arbitration.*] *The Harvard Law Review, November, 1915.*

The following propositions may, I think, be taken to be established in the settlement of minimum wages by the court. . . .

1. One cannot conceive of industrial peace unless the employee has secured to him wages sufficient for the essentials of human existence.* (Page 16.)

In conclusion, I may state that I am not unaware of the far-reaching schemes, much discussed everywhere, which contemplate conditions of society in which the adjustment of labour conditions between profit-makers and wage-earners may become unnecessary. Our Aus-

* Boot-factories, 4 Com. Arb. 1, 10 (1910); Seamen, 5 Com. Arb. 147, 164 (1911).

tralian Court has nothing to do with these schemes. It has to shape its conclusions on the solid anvil of existing industrial facts, in the fulfilment of definite official responsibilities. It has the advantage, as well as the disadvantage, of being limited in its powers and its objects. Its objective is industrial peace, as between those who do the work and those who direct it. It has no duty, it has no right, to favour or to condemn any theories of social reconstruction. It neither hinders nor helps them. But it is obvious that even if all industries were to be carried on under State direction, industrial peace would be as vitally important as it is now; and that it could not be secured without recognition of the principle which the Court has adopted, that each worker must have, at the least, his essential human needs satisfied, and that among the human needs there must be included the needs of the family. Sobriety, health, efficiency, the proper rearing of the young, morality, humanity, all depend greatly on family life, and family life cannot be maintained without suitable economic conditions. (Pages 38-39.)

Australia's Court of Arbitration. Vance Palmer. *The Empire Review and Journal of British Trade, London, May, 1915.*

There are always employers to be found who will, automatically and on principle, resist any raising of wages, whether the cost of living has increased or not, and if a judgment is given against them it is open to them to assume attitudes of injured innocence. One cannot, however, estimate the way in which the employers generally regard the Court of Arbitration from the opinions and activities of this small but very eloquent section. A better judgment can be formed from the fact that employers have, not infrequently, asked for the Court's intervention in the settlement of disputes.

It is not necessary to go back further than volume vii. of the reports to find examples of this. On April 16, 1913, for instance, we find the secretary of the Commonwealth Steamship Owners' Association making an ap-

plication for a conference in the matter of a dispute between his company and the Federated Seamen's Union of Australia. On May 27, in the same year, the Managing Director of W. Angliss and Co. Proprietary, Ltd., filed an affidavit in support of a conference in connection with a threatened dispute in Victoria and the Riverina with regard to the slaughtering of stock for export. Again on December 15 the secretary of the Victorian Brewers' Association lodged an application for a conference in connection with a dispute in the brewing industry extending through five States. (Pages 186-187.)

But the crowning vindication of the Court lies in the fact that during the whole ten years of its existence, a period of industrial disturbance and unrest in all countries, its awards have never been flouted by either employers or employees. (Page 187.)

California Senate and Assembly. Document No. 27. 1910. Report on the Labor Laws and Labor Conditions of Foreign Countries in Relation to Strikes and Lockouts. HARRIS WEINSTOCK, *Special Labor Commissioner.*

The wages boards have brought about another unexpected blessing to Victorian employers, wage-workers, and to the body politic. They have, for a period of over twelve years, aided in, if not maintained, an unprecedented era of industrial peace. The fact that the State had provided machinery where wage-earners, having wage grievances, could get a fair hearing and a fair deal at the hands of the trade experts representing both sides of the issue, and the fact that the determinations are enforceable against employers, left little occasion to resort to strikes in order to secure what they deemed equity.

In consequence Victoria, considering the numbers industrially engaged, has enjoyed the highest degree of industrial peace that in the past decade or more has been vouchsafed to any other country in any occidental government. It must, therefore, be evident that if industrial peace is the test, Victoria has come more nearly to

discovering the missing link between capital and labor than has any other modern industrial land. (Page 73.)

Report of the Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

In Victoria, at the instance of either employers or employees, or of the Minister of Labor, the Legislature may authorize the creation of a special board, which is empowered to fix a minimum wage for a given trade. . . .

These special boards, although authorized to secure a "living wage," in practice have served rather to formulate common rules for a trade, to bring employees and employers into co-operative relations and to provide suitable machinery for the readjustment of wages and other matters to changing economic conditions. (Pages 14-15.)

It would furnish to the women employees a means of obtaining the best minimum wages that are consistent with the on-going of the industry, without recourse to strikes or industrial disturbances. It would be the best means of ensuring industrial peace so far as this class of employees is concerned. (Page 26.)

The Minimum Wage in Great Britain and Australia. Matthew B. Hammond, Ph. D., *American Academy of Political and Social Science. Annals. Vol. 48, July, 1913.*

In spite of the fact that the law in Victoria does not forbid strikes, as is the case under compulsory arbitration, it would be hard to find a community in which strikes are so infrequent as they are in Victoria. There are, I think, not more than half-a-dozen cases in which a strike has occurred in a trade where the wages and hours were fixed by a wages board. The only serious strike of this sort was in a trade where the court of industrial appeals had lowered the wages fixed by the wages board after these wages had been paid for some weeks. . . . There can be little doubt but that the representatives of both parties go away from these meetings with an understanding of the problems and difficulties which the other side

has to meet, which is usually lacking in trades where collective bargaining is not resorted to. This was repeatedly brought to my attention both in and out of board meetings by men who had taken part in these discussions. It probably goes far towards explaining the infrequency of strikes and lock-outs. (Page 32.)

Some Aspects of the Minimum Wage. H. A. MILLIS. *Journal of Political Economy, February, 1914.*

An eleventh result should be that the number of strikes in the textile and the garment trades will be diminished and the advance of such revolutionary organizations as the Industrial Workers of the World checked. In Victoria and the other Australian states where wages and the conditions of work are determined by wages boards, strikes have been of less frequent occurrence than before, because the machinery for the determination of what is fair is at hand and the pressure of public opinion to make use of it is strong. Moreover, the method of arriving at a fair wage may of itself teach the workers that after all there is not the absolute separation of interests which the oppressed at present are likely to assume to exist. Any reduction of the number of strikes, when adequate machinery is fixed for solving difficulties, will be a decided gain to employees, employers, and the public which is frequently taxed to make good losses which have been incurred and to provide the necessary police force to maintain law and order. That the checking of any revolutionary feeling, by striking at fundamental causes, is of importance will be generally accepted without question. (Pages 148-149.)

Journal of the Legislative Council, New South Wales. Vol. LXIII. Part II. 1901. Report of the Royal Commission of Inquiry into the Working of Compulsory Conciliation and Arbitration Laws. JUDGE A. P. BACKHOUSE.

Although I have gone fully into matters in which the act appears to be defective, I wish it to be clearly and

unmistakably known that the result of my observations is that the act has so far, notwithstanding its faults, been productive of good. I have emphasized what were pointed out to me as its weaknesses, in order that they may be avoided should similar legislation be enacted here. The act has prevented strikes of any magnitude, and has, on the whole, brought about a better relation between employers and employees than would exist were there no act. It has enabled the increase of wages, and the other conditions favorable to the workmen which, under the circumstances of the Colony, they are entitled to, to be settled without that friction and bitterness of feeling which otherwise might have existed; it has enabled employers, for a time at least, to know with certainty the conditions of production, and therefore to make contracts with the knowledge that they would be able to fulfil them; and indirectly it has tended to a more harmonious feeling among the people generally, which must have worked for the weal of the Colony. (Page 25.)

State Arbitration and the Living Wage. Fabian Tract No. 83. London, 1903.

The great difficulty in the way of arbitration is the refusal of the disputants to admit that anyone is concerned in their quarrel but themselves. When the Board of Trade at last intervened in the Engineering War its conduct was denounced by Sir Henry Howorth, F.R.S., M.P., as an "impertinence," and the *Times*, October 7, 1897, declared that: "The right of interference by a Government department can only be exercised to any good purpose when the conflict is practically over, and when one side or the other wishes to have an opportunity for honorable retreat." Against this belated theory of the right of private warfare we oppose the only theory under which social peace is possible—the right and duty of the State both to safeguard the national welfare and industry, and to secure the well-being of each of its members. This theory is particularly applicable to strikes and lockouts where large numbers of people, not concerned in the

dispute, are often seriously injured by the stoppage of work. For the sake of the public peace the State interferes in the purely private quarrels of a couple of litigants, for the sake of the public health it interferes at every turn with the rights of private property, for the sake of safety to life and limb it interferes with the internal arrangements of factories and mines and the right of an employer to do what he likes with his own, for the sake of common honesty it regulates the payment of wages by means of Truck Acts, "Particulars Clauses," and Check weighmen. To extend this general principle of the regulation of industry by common rules to the determination of wages, hours, and the other conditions of labor is a natural sequence. (Pages 9-10.)

In return for this State interference employers are offered the opportunity of conducting their business under the rules of peace instead of war, of freedom from cessation of industry, and of having the terms and conditions of labor fixed for periods of sufficient duration to enable them to enter advantageously into future contracts. The workmen are given the great boon of steady rate of wages, and instead of having to maintain their standard of life in an unequal struggle against the present-day huge amalgamations of capital, they are offered an impartial umpire and a judicial inquiry. (Page 10.)

British Sessional Papers. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. Ernest Aves.

The boards, especially those formed in the women's trades, are greatly valued and are widely believed in, and a chief explanation of this must, I think, be found, not so much in any demonstrable and lasting effects that they have had on the individual earnings of women, as in the increased feeling of security that they give, and in the belief that they make treatment more uniformly fair.

The boards have helped both in the home and in the factory, and probably not simply in the trades under them, to set a more certain standard. They are also believed to mark out a point below which, should reaction come, wages will not, at least without greater difficulty, fall. The test of this period of decline has, it is true, not been reached, and should it come, the determinations may break down. But while maintained or sometimes even when exceeded, they are felt to be a source of strength. They affect sentiment, both public and private. They help to establish beneficial customs, and if character is not thereby weakened, this is a great gain. They become, moreover, something which the conscience, not only of the trade, but also of the community, has to take into account. (Page 123.)

Hansard's Parliamentary Debates. Vol. 51. 1913.

Mr. T. Wing, Member for Houghton, Durham:

The minimum wage also introduces an element, which is a great improvement upon what you would call an industrial strike for increase of wages, namely, the principle of an independent authority between the two parties, to consider the claims on the one hand and the possibility of granting them on the other. That seems to me to be a very great point gained. (Page 1310.)

(8) Benefit to Competing Employers.

The establishment of a legal minimum wage reinforces the practise of the most enlightened employers. It tends to bring industry up to the best prevailing standards in each trade. It enables the enlightened employer to pay higher wages without fear of underbidding competitors. It thus tends to preserve reasonable competition among employers as it has previously been shown to preserve reasonable competition among the workers.*

A Living Wage by Legislation. The Oregon Experience. Rev. Edwin V. O'Hara, *Chairman, Industrial Welfare Commission of Oregon. State Printing Department, Salem, 1916.*

Employers' Viewpoint.

While the argument for minimum wage legislation is generally stated from the standpoint of the employees, it must not be supposed that such legislation is opposed by representative employers. Even apart from the human appeal to which most employers readily respond, a policy of enlightened selfishness on their part would lead them to support this legislation. A legal minimum wage destroys the advantage which unscrupulous employers who are willing to cut wages below the subsistence level have always enjoyed over their more decent competitors. Respectable employers have not been slow to appreciate this fact, as was evident during the public hearings held in the spring of 1916, by the conferences appointed to revise the orders of the Oregon Industrial Welfare Commission. During those hearings, while many employers manifested opposition to further reduction of the working day, opinion was practically unanimous in favor of minimum wage legislation; and an increase in the weekly minimum wage in many occupations in Portland from $8.25 to $8.64 was awarded without a

* See page 330 ff.

single voice being raised in protest at the public hearings held by the Commission. It may be recorded as a matter of interest that the first real encouragement which the movement for wage legislation received in Oregon was a unanimous resolution of endorsement by the Board of Governors of the Portland Commercial Club. (Page 18.)

The Australian Experience with Wages Boards. M. B. HAMMOND, *Vice-Chairman Industrial Commission of Ohio. The Survey, February 6, 1915.*

What, it will be asked, have been the industrial consequences of this legislation in Australia? As a preface to this part of the discussion, I may say that during the year 1911-1912, I spent seven months in Australia and New Zealand, studying the operation of the minimum wage and compulsory arbitration laws of those countries. My work was carried on in the various states, largely in the offices of the departments of labor, charged with the work of administering these laws, and through the kind efforts of the officials of these departments I was enabled to attend many meetings of the wages boards and to interview employers, trade union secretaries, public officials and other persons who had knowledge concerning the operation and effects of these laws. (Page 497.)

How now, it may be asked, has the employer benefited by the system of wages boards? Is he the unwilling victim who suffers for all the gains secured by the workers? There can be no doubt that the employers were bitterly opposed to the act at the time of its passage. The Victorian Chamber of Manufactures led the attack on the system both in 1896 and again in 1900, when the system was extended to trades which had not been provided for by the earlier act. In Melbourne, I had lengthy interviews with the presidents and secretaries of both the Chamber of Manufactures and the Victorian Employers' Association, and with the secretary of the association which represents the mine-owners and operators. All these gentlemen made some complaints concerning the

administration of the act, and the way in which determinations had been reached in several boards; but not one would admit that he wished to see the wages boards abolished, and practically all agreed that the system was better for employers than the old system of unregulated competition. This opinion was also expressed by many employers in Victoria and in New South Wales and South Australia, where the same system or something similar to it exists. I did not find an employer who desired to return to the old system of free competition in the purchase of labor, although I made an effort to learn who were opposed to, or out of sympathy with, this method of regulating industry.

The reasons for this change in the opinions of employers are easily explained. The minimum wage has not been detrimental to their business, and has forced their rivals to adopt the same scale of wages which they are themselves obliged to pay. Every employer who desires to be fair to his employees now knows that he is not being taken advantage of by a less competent, or more greedy competitor, who attempts to undersell him by forcing down the pay of employees. It is a mistake to think that employers generally desire to pay low wages. Many in this country are heartily ashamed of the wages they now pay and would be glad to pay more, and would do so were it not for competitors who take advantage of the workers' necessity. (Pages 498-9.)

Fourth Report of the New York Factory Investigating Commission, 1915, Vol. I. Appendix III. Minimum Wage Symposium.

Statement of James F. Adams, Vice-President, The Canister Co., Phillipsburg, N. J.

I believe that a minimum wage law would be beneficial to the employer and employee. Beneficial to the employer who wishes to do right because at the present time he cannot pay more than the prevailing rate of wages and compete with others, and to the employee who is then assured of a certain wage and, to a certain extent, would

thereby be made free from local and trade conditions which might tend to reduce wages in a particular section. (Page 787.)

Statement of Richard S. Childs, New York City.

I am the director of a small corporation employing a number of girls in Brooklyn to whom we pay less than the $9 a week which probably constitutes a living wage in that borough. On the other hand, we pay $1 to $1.50 per week more than the prevailing rate of wages in that labor market. That is to say, we can hang out a sign in front of our factory saying, "Girls Wanted—$4.50 a week," and get applicants galore who are capable of doing the class of work which we require. I am convinced that they are the same girls that come to us when we hang out the sign saying, "Girls Wanted—$6 per week." We pay the higher wage as a concession to our own self-respect, and because the business in recent years has become profitable enough so that we can easily afford it. If our competitors would raise their wage standards, we would be willing to go higher than they do with our wage rate, on the principle that we are strong enough to accept a certain amount of handicap in this matter. (Page 793.)

Any minimum wage proposition which will protect us from the present unfair competition of those who do not scruple to pay the lowest wages possible will be a boon to sound industry and wholesome trade conditions. (Page 794.)

Fourth Report of the New York State Factory Investigating Commission, 1915. Vol. IV. Appendix VIII. Minimum Wage Legislation in Australasia. Chapter I. Victoria.

. . . The greatest argument in justification of a uniform rule is that it puts the honest employer equal with the one who will undercut wages if possible. In the boot trade the enactment of a determination at once weeded out a large number of unscrupulous manufac-

turers.* In the brushmaking industry many employers were protected against the competition of exploiters of female labor.† Other instances similar to these are mentioned in the discussion of sweating so that a further enumeration of examples is unnecessary. (Page 1922.)

Chapter VI. Summary and Conclusions.

As minimum wage standards have prevented the under-cutting of wages by the competition of needy employees, so employers have been prevented from scaling down wages in their effort to attract business from competing firms. In New Zealand many complaints for breaches of the law have come from employers who wished to prohibit their rivals from unfair competition. In Victoria and other states of Australia, the tendency has been to drive the sweating and incompetent employer out of business.‡ As some provision for the extension of awards and determinations is effective in almost every state, the opportunities for unfair competition have been reduced to a minimum. It is clear that one of the results of a legally fixed minimum wage has been to put the unscrupulous employer upon a plane with his more honest competitor. (Pages 2244-45.)

A Country Without Strikes. Henry D. Lloyd. *Doubleday, Page & Co., New York, 1900.*

That an Arbitration Act can operate as much for the protection of employers against guerilla competitors as for the protection of labor against capital, is one of the great discoveries being made by experience in this experiment. Manufacturers in New Zealand are beginning to see this and take advantage of it.

I learned of several cases in which, by assisting their employees to organize and appeal to the Court of Arbitration, the manufacturers sought to obtain decisions which would bind not merely themselves, but also their

* Victoria, Report of the Chief Inspector of Factories, 1900, p. 16.
† *Ibid.*, 1902, p. 17.
‡ *Supra*, pp. 1922, 2048, 2082.

uncontrollable competitors. Such a competitor can by this use of the Arbitration Court be prevented from making the cuts in wages which enable him to cut prices to the ruin of all who do not irritate him in squeezing out of the employees the funds to fight business rivals. (Page 45.)

Bulletin of the United States Bureau of Labor, No. 49. November, 1903. Labor Conditions in New Zealand, by Victor S. Clark.

A second desirable result that the act is generally conceded to have accomplished is the prevention of sweating and undercutting by a few unscrupulous employers, to the detriment of the trade and the prejudice of the fair-minded majority who are content to conduct their business with reasonable regard for the welfare of their employees. The chairman of one of the conciliation boards, himself an attorney and in no way specially identified with the workingmen, said: "It was a common experience to have fair employers encourage suits in order to prevent undercutting in wages." A factory inspector said: "Most of the complaints of breaches of the acts and of the arbitration awards come from the employers themselves, who want their competitors prohibited from unfair competition." Specific instances were mentioned by workingmen where they had been asked by employers to bring suits under the act in order to establish fair and uniform conditions of wages in an industry. (Page 1231.)

Bulletin of the United States Bureau of Labor, No. 56. January, 1905. Labor Conditions in Australia. Victor S. Clark.

The proprietor of probably the largest boot factory in Melbourne, a new and model establishment, expressed the following opinion of the Factories Act in an interview:

"We have invested largely in our business since the act has been in force. Under it our conditions are more

settled, and this gives us an advantage over New South Wales. Before the act went into operation sweating was rampant, and for that reason the fair employer has benefited by the change. We pay many of our employees more than the minimum wage. There are incompetent employers as well as incompetent employees, and it is the employer who never ought to be in his position who is forced to sweat men. The act eliminates that sort of an employer." (Page 73.)

The effect of the determinations is to establish uniform rates of payment and hours of labor among competing employers, and thus to favor those who are by inclination or policy most liberal to their employees; at least this must be the effect if the law is properly observed. (Page 77.)

California Senate and Assembly. Document No. 27. 1910. Report on the Labor Laws and Labor Conditions of Foreign Countries in Relation to Strikes and Lockouts. HARRIS WEINSTOCK, *Special Labor Commissioner.*

The wages boards (of Victoria) have not alone reduced the evil of sweating to a minimum, but they have achieved other most desirable and important results not exactly anticipated at the time of the enactment of the law. The authors of the measure seemingly builded better than they knew.

The wiping out of the "sweater" has been a great blessing to the fair employer, who is no longer compelled to compete with an unfair rival who, by "squeezing" helpless labor, is in a position to undersell or underbid him.

Every Victorian manufacturer starts out on an even basis, so far as payment to labor is concerned. To secure the largest share of possible business, he must exercise his managerial ability along other lines than that of "squeezing" labor. The legal minimum wage tends to drive the "sweater" out of the field. Where no legal minimum wage exists, the "sweater" tends to drive the fair manufacturer out of the field. (Pages 72-73.)

Minimum Wage Boards. FLORENCE KELLEY, *General Secretary, National Consumers' League. Proceedings of the National Conference of Charities and Corrections, Cleveland, 1912.*

It may be asked whether there is not danger, in case this constitution should be adopted and so interpreted that minimum wage boards can be created under its terms, of driving industry out of Ohio into Pennsylvania, West Virginia and Indiana, where wages may still be forced down below the minimum level of vital efficiency without interference. That threat has been made in the Australian colonies and in the English Parliament. It is made by the textile trades in Massachusetts, and will continue to be made in our states. But no industry goes. Cut-throat competitors may go, but experience has shown that the increased efficiency that accompanies the creation of wages boards deprives competition of its power for harm. In Victoria more than half of the 91 trade boards now in existence have been asked for by employers glad to be rid of cut-throat and incompetent competitors.

When, through the acquisition by the weaker working people of proper elements of bargaining strength, a living wage is made a first charge upon industry, incompetent employers must either call in the efficiency doctors and follow their prescriptions, or themselves seek work in some occupation other than fattening upon defenseless workers and keeping them in chronic destitution. (Page 9.)

The Wage-Earner and His Problem. JOHN MITCHELL. *P. S. Ridsdale, Washington, D. C., 1913.*

A continually fluctuating labor market is a heavy burden on the fair employer in manufactures. He is menaced by the undercutting of his wage rates by his rivals in business, by strikes of his employees, by the uncertainties of the future, by alterations in costs. His losses, besides, are those of a citizen obliged to help support those of his competitors not paying a living

wage and whose employees are hence from time to time thrown on the community for assistance.

We cannot but conclude that the fair employer must in the end agree with us on the desirability and feasibility of the minimum wage as here advocated. (Page 103.)

British Sessional Papers. Vol. VI. 1907. Report from the Select Committee on Home Work. Minutes of Evidence.

G. R. Askwith, Barrister, Arbitrator in Trades Disputes.

3947. How do you think that the establishment of Wages Boards would be regarded by workers and employers? You must have a good deal of experience by coming in contact with both of these classes of the community. What would be their attitude towards them, do you think, speaking broadly?—As far as I can judge from speaking to employers in many trades, they would be very glad to have them.

3948. Then you would suggest that, as regards employers, where low rates are paid, frequently they are driven by competition to pay these rates, and that they would not be unwilling to pay higher ones, if higher ones prevailed throughout the trade?—Certainly, I think that is so, if they knew that the man around the corner was not paying less. If, say, a trades-union official, or representative of the workmen, came to them and said, "I want this price raised," and their answer was, "We would raise the price if So-and-So around the corner was not paying a lower one," and the remedy was to be found in the Wages Board statement, and they were able to bring the competitor around the corner before the Wages Board, I think they would be ready to pay the enhanced price. (Pages 192-193.)

4108. Will employers generally agree as to the establishment of Wages Boards in these industries, do you think?—The employers whom I have spoken to on the matter have generally said that they see no objection to that, and that they consider no harm would be done, but they would be the better class of employers. I do not

know what a sweating employer would say to it, and I should not much mind what he did say. (Page 202.)

4184. Generally, you have found that employers are willing to accept the decisions of Arbitration Boards?—Yes.

4185. And does your experience tell you that employers would be willing to have joint Arbitration Boards and pay standard wages if all the others in the trade agreed?—Yes, I think so. The great objection of employers is to other employers paying less than they do, thereby, as they think, unfairly competing with them; and, further, all employers in a trade are particularly anxious to avoid uncertainty and to have peace. (Page 205.)

British Sessional Papers. Vol. VIII. 1908. Report from the Select Committee on Home Work.

We have been impressed by the testimony we have received to the effect that most, if not indeed all, employers would be glad to have fixed a minimum rate of payment and conditions below which neither they nor their competitors should be allowed to go. If nothing more than this were accomplished by the adoption of the recommendations which we make, a substantial step would be taken in the improvement of the position of that portion of our people whose special circumstances we have been considering. (Page XVIII.)

British Sessional Papers. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Board and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. Ernest Aves.

And from another point of view the advantage of the greater equality of conditions, both as between employers on their side and between the employed on theirs, is pointed out; there is "equal" or "more equal" competition. Competition is "fair."

So with more direct reference to "sweating": "all

have to pay the minimum." The honest employer is put equal with the "sweater." This point is mentioned repeatedly, as by one of the largest manufacturers and warehousemen in Australia, a free trader it may be noted, who approved of Wages Boards because they "levelled up the 'sweater.' "

From this point of view, which is reflected in connection with trades of many descriptions—from engineering down to white work—the Special Boards may almost be regarded as having won general approval. (Page 70.)

Industrial Conciliation and Arbitration: New Zealand.

. . . If, as has often happened, especially in the early days, recognized wages and recognized conditions were established in trades that needed them, and in which were thus eliminated those very elements of unfair or unequal competition already deprecated by the more reputable section of employers in the trade concerned, again good may be said to have resulted. In this increase of equality in competition consists indeed not only one of the great theoretical advantages of the Act, but one which has in practice been often secured. (Page 107.)

Hansard's Parliamentary Debates. House of Lords. Vol. 2. 1909. London.

Lord Hamilton of Dalzell:

But, as a matter of fact, there is not the slightest reason to suppose that any trade will either be killed or driven abroad by this Bill, and I do not think that any better proof of that is needed than the warm support which has been given to this Bill by almost all of those, both masters and men, connected with the trades mentioned in the Schedule. What we imagine will happen will be that a levelling-up process will take place. The best class of employer, the man who we have reason to believe would like to pay fair wages but is afraid of having his prices undercut by the class immediately below him, will be enabled to pay fair wages; and the third class of employer, the genuine sweater, will have to pay fair wages whether he likes it or not. (Page 976.)

Hansard's Parliamentary Debates. N. S. Vol. 2. 1909. London.

Mr. Winston Churchill, President of the Board of Trade:

. . . The principles on which we are proceeding are to endeavour to foster organization in trades in which, by reason of the prevalence of exceptionally evil conditions, no organization has yet taken root, and in which, in consequence, no parity of bargaining power can be said to exist; to use these organizations, when formed, as instruments to determine minimum standards below which the wages paid ought not to be allowed to fall; to rally to the side of these minimum standards all the healthy elements in the trade; and, finally, if and when this has been achieved, to protect the good employers—and there are always good employers in the worst of trades—who are anxious to pay a proper rate of wages from being under-cut, and to protect them by compulsory powers which are no doubt far-reaching in their character, which I also think will be found to be properly safeguarded in their use. (Pages 1791-1792.)

Wages Boards in England. E. F. Wise. *The American Economic Review, March, 1912.*

The trade board has in each case considerably increased the average rate of wages. This has been accomplished chiefly by a process of levelling up. The best employers have not objected to paying a little more provided it was obligatory on their competitors to do the same. A remarkable feature of the sweated trades, especially those in which home work plays a large part, has been the wide diversity of rates paid for the same work. Each woman working by herself, knowing very few, if any, of her fellow-workers, has been at the mercy of her particular employer, and if he took advantage of her weakness she has not dared to resist. (Page 18.)

British Sessional Papers. Vol. XIV. 1913. Special Report from the Select Committee on the Trade Boards Act Provisional Orders Bill. Minutes of Evidence.

Mr. G. Stapylton Barnes, Secretary to the Board of Trade:

I think you may take it that as a whole the working of the Trade Boards Act has been successful beyond what anybody imagined possible. The employers as a whole are, I think, satisfied, and the workers are satisfied. I believe that the employers as a whole are anxious to pay rather higher wages than they have been paying in some cases in the past provided that they are protected against other employers undercutting them. (Page 7.)

Report of the National Anti-Sweating League, 1913. Manchester, 1914.

Recognition by employers of the stimulating effect of the Trade Board upon their trades is now becoming general, and representative manufacturers from the Paper Box and Wholesale Tailoring Trades attended before the Select Committee to which the Provisional Orders Bill was referred to testify from their own experience in favor of an extension of the Act. Further, informed by the legal adviser of the employers in these two trades that the Act had been generally beneficial, the leading manufacturers affected by the extension of the Act decided not to oppose it, and at the present moment are cordially co-operating with the Board of Trade in the establishment of the new Boards, in the belief that the fixing of minimum rates of wages will discourage competition based upon sweated labor from low-grade firms in their trades. (Pages 16 to 17.)

Benefit to Competing Employers.—Great Britain

The Establishment of Minimum Rates in the Chain-Making Industry Under the Trade Boards Act of 1909. R. H. Tawney. *The Ratan Tata Foundation (University of London), Bell, London, 1914.*

The effect of setting up a Trade Board in any industry is virtually to transfer the settlement of wage rates and of matters incidental thereto from the caprice of individual employers to the control of a representative body; and, quite apart from the direct increase in the workers' income represented by the difference between the new rates and the old, this transference of authority has two important consequences. In the first place, it has the effect of defining industrial relationships by substituting general rules which have been reached after discussion for usages dictated by the convenience or necessities of particular individuals. In the second place, it influences the whole conduct of the industry by placing all producers, in respect of the price of labor, upon an equal footing, and thus preventing the practices by which particular firms were able to secure an immediate advantage over their competitors in the matter of wages. (Page 55.)

"The minimum rates," said an employer, "ought to have been in force long ago. The unscrupulous employers used to make things hard for the better men. . . . They would take work at any price and tell any tale to the poor workpeople. First, the merchant would beat the manufacturer down 3d. or 6d. by saying—often quite untruly—that So-and-So was quoting a lower price. Then the manufacturer would say, 'Well, if other people can do it at that price, we can do it,' and would go to the workers and tell them, 'So-and-So has quoted such-and-such a price. If you want to have work you must take it at such-and-such a price from me.' There was no bottom in the trade before. Now all that has been stopped. A manufacturer can reckon up his cost throughout, so much for iron, so much for labor, and so on; and therefore he knows that he cannot quote below a certain price." (Page 64.)

Report of the New Zealand Labor Department, 1902.

The better class of employer is, of course, in favor of a minimum wage, since he is compelled by his own honesty to pay his men a just price for their services and is thus exposed to unfair competition from the "sweater" who wishes to grind the earnings of his workpeople lower and lower, and abhors a minimum wage that interferes with what he calls his "liberty to run his business as he likes." (Page 5.)

Report of the New Zealand Labor Department, 1907.

It is satisfactory to have to report that generally speaking the privilege of working under an award is appreciated both by employers and workers, the former because it equalizes the conditions in the cost of production and tends to prevent cutting in prices—the latter because they know they are getting one current market value for their labor. (Page 27.)

Report of the Chief Inspector of Factories of Tasmania. 1912.

It is usual for the Chief Secretary, as the Minister administering the "Factories Act," to move the resolution in Parliament for the appointment of a Board on representations being made by employers or employees either separately or conjointly, or on the recommendation of the Department. Employees generally urge the appointment of a Board with a view to improving their wages; whilst employers may recognise that the establishment of such a Board removes unfair competition on the part of some members of their trade who do not pay the standard rate of wages, and so may be able to undersell competitors. More especially where work, as in the building trades, is let by contract does the establishment of Wages Boards prevent undercutting in making out estimates, and places those submitting tenders on fairly equal terms. (Page 15.)

Benefit to Competing Employers.—Germany

Der Mindestlohn. (*The Minimum Wage.*) D. PESL, *Member of the Bar of the Supreme Court. Duncker & Humblot, Munich, 1914.*

As I have repeatedly said, many employers are unable to pay their workers suitable wages, even when they wish to do so, owing to the competition of those employers, especially the merchants, who are unscrupulous enough to enrich themselves at the cost of their workers by the payment of wholly insufficient wages. The progressive employer can thus be forced to pay equally low wages or to give no increases, if he does not wish to be ruined. For this reason, wage agreements in which better earnings are assured to the workers are often shipwrecked by the opposition of individual employers. With right, then, the demand has been recently made for the legal regulation of the wage-agreement system. (Page 373.)

(9) Increasing Scope of the Acts.

The best proof of the reasonableness of the wage board system is afforded by the continuous legislation extending the scope of the acts. This legislation has been neither local nor sporadic. On the contrary it has been wide spread and steadily increasing, successive acts extending the scope of the wage boards upon the basis of their ascertained benefits.

In Victoria, special boards to fix minimum wages have been established more than 20 years. They have increased from 6 boards in 1896 to 141 boards in 1916, affecting the wages of more than 150,000 persons. Each board represents a separate branch of industry. Together they comprise practically all manufacture and important branches of distributive trade.

In Great Britain the success of the first four trade boards, established in 1910, is shown by the establishment of trade boards in four additional trades in 1913.*

Principles of Labor Legislation. John R. Commons *and* John B. Andrews. *Harpers, New York, 1916.*

. . . The first Australasian law whose main purpose was to end sweating was passed by Victoria two years later, [1896] and since it is the Victorian method which Great Britain and the United States have adopted, the system deserves consideration at length. The public feeling against the sweating system in Victoria had resulted in the formation of an Anti-Sweating League. Largely as a result of the league's efforts and in spite of bitter opposition from the employers under the leadership of the Victorian Chamber of Manufacturers, Victoria passed the first minimum wage law in 1896. Sir Alexander Peacock, originator of the system and later minister of labor in Victoria, has written: "It was

* See page 2.

alleged, first that all work would be driven out of the country, secondly, that only the best workers would be employed; and thirdly, that it would be impossible to enforce such provisions at all. . . . However, the government managed to carry the bill and the wage-board system was inaugurated."

The law required that representative boards fix minimum wages in certain industries designated by the legislature. Moreover, being frankly an experiment, the act was to be in force only for four years. Wage boards were first appointed in the six especially sweated trades of boot-making and baking, which employed mostly men; clothing, shirt-making, and underclothing, which mostly employed women; and in furniture-making, in which the competition of Chinese labor was depressing wages. In 1900, when the first minimum wage law came to an end, the government brought in a bill providing for the extension of the wage-board system in other trades. The Victorian Chamber of Manufactures protested violently, urging, and with good reason, that the government's proposal meant the extension of the system to trades in which there was no evidence of sweating. However, the government showed that it has received a number of applications from employers, asking for the appointment of special boards, and that sweating had disappeared in the trades in which boards had been established. Accordingly the bill was passed and an extension of the system was begun which has continued from year to year until at the present time nearly 150 separate boards have been appointed, fixing minimum wage rates for over 150,000 employees in a state whose total population is less than a million and a half. The only important group of workers whose wages are not regulated are those in agricultural pursuits. . . .

. . . The wage-board system is no longer regarded as an emergency measure intended to secure a living wage where conditions are exceptionally bad, but as a satisfactory method of fixing the standard wage in any trade. The act was again renewed in 1903, and in 1904 was made permanent. While the scope of the law has been widely extended the opposition of the employers

has decreased, until in April, 1912, M. B. Hammond, of the Ohio Industrial Commission, as a result of first-hand investigations reported that both employers and employees "are now practically unanimous in saying that they have no desire to return to the old system of unrestricted competition in the purchase of labor." South Australia, Queensland and Tasmania in 1900, 1908, and 1910, respectively, adopted legislation similar to the Victorian act. (Pages 172-173.)

Wages Boards in Australia. M. B. Hammond. *Quarterly Journal of Economics, November, 1914.*

Since 1905 no fundamental changes in the wages boards legislation have been made in Victoria, but the powers of the boards have been steadily increased. The provision in the 1905 act by which every board was instructed to ascertain the average wages "paid by employers to employees of average capacity" was found to be unsatisfactory and to hamper the work of the boards. It was accordingly repealed in 1907.* (Pages 146-147.)

At every session of Parliament since 1905 resolutions have been carried in both houses for the appointment of new wages boards, until at the close of 1913 there were in existence or authorized 134 special boards in as many trades or occupations. The Chief Inspector estimated that about 150,000 workers had their minimum rates of pay determined by such boards.† Not only has the number of trades for which boards are provided continued to increase but their scope has constantly widened. The idea that the boards were to operate only in the sweated trades has long been abandoned. No longer is the board plan of wage regulation limited to manufacturing industries. Asphalters, bill posters, bread carters, carpenters, coal miners, commercial clerks, dressmakers, electroplaters, factory engine drivers, gold miners, furniture dealers, gardeners, grocers, hotel employees, livery-

* Report of Chief Inspector for 1907, p. 3.
† Report of Chief Inspector for 1913, p. 6.

stable employees, milliners, night-watchmen, office cleaners, quarrymen, shop assistants (retail clerks), sorters and packers, timber-fellers, tuck-pointers and many other classes of employees have their minimum wages and maximum hours fixed by such boards.*

In some industries and occupations two boards are appointed, one for the metropolitan area (Melbourne and suburbs) and the other for the country districts. Thus there are the flour board and the country flour board, the printers' board and the country printers' board, the country shop assistants' board, etc.† No effort has as yet been made in Victoria to provide wages boards for distinctly agricultural callings. Doubtless the country prejudice against such legislation still survives. Nor has there been any effort to regulate the wages or hours of domestic servants by means of such legislation. But practically every other field of industry has been invaded and Mr. Alfred Deakin's prediction, made in 1895, that "one day or other these boards will be established in every trade" comes well-nigh realization within the life of that gentleman. (Pages 147-148.)

Reports of the Chief Inspector of Factories, Workrooms and Shops of Victoria, 1897-1912.

Report for 1897—

During the year the five special boards elected during 1896, consisting in each case of five representatives of employers, five representatives of employees, and a chairman, met to fix the wages.

A sixth board was appointed in January, 1897, to fix the wages, etc., in the furniture trade.

Report for 1898—

Determinations made by five boards have been in full operation during 1898. The wage earnings of 10,135 employees have been increased.

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*The full list of boards is given in the Annual Report of the Chief Inspector of Factories.

†Report of Chief Inspector for 1913, p. 6.

Report for 1899—

The determinations of six special boards have been in force during the year.

Report for 1900—

Under the provisions of the Factories and Shops Act, 1900, twenty-one special boards were authorized by Parliament during 1900.

At the close of 1900 there were, therefore, 27 special boards authorized by Parliament.

Report for 1901—

Eleven special boards were authorized by Parliament during the year 1901.

There are now thirty-eight special boards in existence.

Report for 1902—

There are now only thirty-six special boards which have made or can make determinations.

I estimate that minimum wages affecting about 30,000 operatives are legally fixed by the determinations of the twenty-nine special boards now in force.

Report for 1903—

There are thirty-eight special boards affecting over 38,000 operatives.

Report for 1904—

There are thirty-eight special boards affecting over 38,000 operatives.

Report for 1905—

There are thirty-eight special boards affecting about 44,500 operatives.

Consolidation of Acts.

During the years 1896 to 1904, inclusive, there were eight acts passed amending the Factories and Shops Act, 1890. These acts were all of a temporary nature, and the grave uncertainty in which the factory legislation of the state stood was clearly shown by the lapse of the whole of the temporary acts in 1902 owing to an unex-

pected dissolution of Parliament. A special act was passed to revive and continue the lapsed acts, but the temporary character of same was continued.

Last year the whole of these acts were consolidated and made permanent.

Report for 1906—

Resolutions in favor of appointing eleven new special boards were carried in both houses of the Legislature toward the close of 1906.

With the thirty-eight special boards previously appointed, there are now therefore forty-nine boards in existence, affecting about 49,500 operatives.

Report for 1907—

Resolutions in favor of appointing two new special boards were carried in both houses of the Legislature toward the close of 1907.

With the forty-nine special boards previously appointed, there are now therefore fifty-one boards in existence, affecting over 50,000 operatives.

Report for 1908—

Resolutions in favor of appointing eight new special boards were carried in both houses of the Legislature towards the close of 1908 and early in 1909.

With the fifty-nine special boards previously appointed there are now, therefore, fifty-nine boards in existence, affecting over 67,000 operatives.

Report for 1909—

Resolutions in favor of appointing twelve new special boards were carried in both houses of the Legislature towards the close of 1909.

With the fifty-one special boards previously appointed there are now, therefore, seventy-one boards in existence, affecting about 75,000 operatives.

Report for 1910—

Resolutions in favor of appointing twenty new special

boards were carried in both houses of the Legislature towards the close of 1910.

There are now ninety-one boards affecting about 110,000 employees.

Report for 1911—

Resolutions in favor of appointing twelve new special boards were carried in both houses of the Legislature towards the close of 1911.

There are now one hundred and eleven special boards, affecting about 130,000 employees. Of these, two boards have not been constituted, viz.: the Stationery Board and the Slaughtering for Export Board.

Report for 1912—

Resolutions in favor of appointing nineteen new special boards were carried in both houses of the Legislature towards the close of 1912.

There are now one hundred and thirty-one special boards, affecting about 150,000 employees. (Page 6.)

Report of Chief Inspector of Factories of Victoria, 1909.

During last year nine new boards brought in their determinations, while no less than nineteen of the existing boards amended their determinations. Several new boards also completed their determinations, which were arranged to come into force during 1910. The working of the various determinations is harmonious and satisfactory. Very few cases have come under my notice of wilful attempt to evade the provisions of these determinations. (Page 72.)

Increasing Scope of the Acts.—Australasia

Commonwealth Bureau of Census and Statistics, Labour and Industrial Branch. Quarterly Labour Bulletin. No. 13. January-March, 1916. Melbourne, Australia. G. H. KNIBBS, *Commonwealth Statistician.*

The following tabular statement gives particulars of operations under the various Acts, as recorded up to and at the 31st March, 1916:

Boards Authorized and Constituted. . . . 31st March, 1916. (Table Condensed.)

Particulars	C'wlth	N. S. W.	Vic.	Q'ld	S. A.	W. A.	Tas.	Total
1. Boards authorized, constituted and in force:								
No. of boards authorized		*229	147	113	56		35	580
No of boards constituted		*229	142	104	51		32	558
No. of boards dissolved or superseded†			1	14			1	16
No. of boards in existence		*229	141	90	51		31	542
8. No. of persons working under state awards, determinations and industrial agreements (estimated)‡		260,000	150,000	90,000	25,000	32,000	12,000	569,000

* Excluding special demarcation boards.

† Boards constituted and subsequently dissolved or superseded. In New South Wales the whole of the boards were dissolved. For particulars see Labour Bulletin No. 12, p. 417. In Victoria one board was superseded by three boards. In Queensland authorization for two boards was subsequently rescinded, four other boards were superseded for the purpose of varying the jurisdiction, and eight other boards were dissolved on the rescission of the orders in council whereby they were authorized; see page 87 *ante*.

‡ Not including any allowance for persons who enlisted in the defence forces.

The total number of Boards authorized at the 31st March, 1916, in the five States in which the Board system is in force was 580; the total number constituted being 558, of which 16 had been dissolved or superseded. The number of Boards in existence at that date was accordingly 542. . . . (Pages 90-91.)

In the subjoined table particulars are given for the whole commonwealth of the number of boards authorized, constituted, and in existence, and of the number

of awards, determinations, and industrial agreements in force at approximately quarterly periods from the end of the year 1913 to the 31st March, 1916, inclusive. (Page 91.)

Particulars of Boards and of Awards, Determinations and Industrial Agreements in Force at 31st December, 1913, and at approximately Quarterly Periods to 31st March, 1916.

Dates	Boards Constituted Authorized	Boards Constituted	Boards in Existence
31st Dec., 1913	504	501	484
30th Apr., 1914	525	509	492
30th June, 1914	537	523	504
30th Sept., 1914	549	539	517
31st Dec., 1914	553	544	522
31st Mar., 1915	560	551	526
30th June, 1915	568	557	532
30th Sept., 1915	582	570	536
31st Dec., 1915	573	554	546
31st Mar., 1916	580	558	542

From the above table it may be observed that considerable expansion of the principle of the fixation of a prescribed minimum wage has developed within the Commonwealth during the past two years. Within that period fifty-eight additional Boards have been brought into existence in the five States, exclusive of Western Australia. . . . (Page 92.)

The British Minimum Wages Act of 1909. A. N. Holcombe. *Quarterly Journal of Economics, May, 1910.*

After a decade of activity, during which no important body of public opinion in Victoria has demanded the abolition of the boards or the renunciation of the principle of a legal minimum wage in the sweated industries, the return of the Liberals to power in England brought ministers into office who were disposed to give the Vic-

torian system a trial under the less favorable, though more distressing, English conditions. Select committees of Parliament again sat upon the question, and a competent investigator was sent to Victoria to study on the ground the operation of the wages boards. The result was the Trade Boards Act of 1909. (Page 576.)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

It has during the past sixteen years been incessantly discussed; it has been over and over again made the subject of special inquiry; it has been repeatedly considered by the Legislature; and, as a result, it has been five successive times renewed by consent of both Houses. Can it be that all this is a mistake? Still more convincing, however, are the continuous demands from the other trades, as they witnessed the actual results of the legal minimum wage where it was in force, to be brought under the same law. (Pages 3-4.)

I do not see how any instructed economist can doubt, in the face of economic theory on the one hand, and of the ascertained experience of Victoria and Great Britain on the other, that the enactment and enforcement of a legal minimum wage, like that of an ordinary factory law, positively increases the productivity of industry. (Page 14.)

. . . In this remarkable popular demonstration of the success of the Act, tested by the not inconsiderable period of sixteen years, extending over years of relative trade depression as well as over years of boom, some features deserve mention. First, the extensions have frequently—indeed, it may be said usually—taken place at the request, or with the willing acquiescence, of the employers in a trade, as well as of the wage-earners. What the employers appreciate is, as they have themselves told me, the very fact, that the minimum wage is fixed by law and therefore really forced on all employers: the security that the Act accordingly gives them against being undercut by the dishonest or disloyal competitors, who simply

will not (in Victoria as in the Port of London) adhere to the Common Rules agreed upon by Collective Bargaining. (Page 5.)

The Trade Boards. DOROTHY M. ZIMMERN. *The Women's Industrial News, London, January, 1912.*

The fact that three Boards have already fixed rates, which in two cases are in force, and in the third will be so in a month's time, while the fourth Board has issued its proposals, and that all this has been done within two years of the passing of the Act, is a striking testimony to the wisdom of its promoters and a happy contradiction to the gloomy forebodings of those who feared that this method of dealing with the difficult problem of underpayment would be unworkable.

The experiment cannot, of course, be considered complete until the payment of the minimum rate has been in operation for some time, but it is already abundantly clear that the success of the Trade Boards and the minimum wage is assured, and that their application to other trades, in which the standard of wages is too low for the maintenance of a decent livelihood, is only a matter of time. (Page 14.)

Sweated Labor and the Trade Boards Act. Catholic Studies in Social Reform—Manual II, Edited by the REV. THOMAS WRIGHT. *P. S. King & Son, London, 1913.*

The general result of the operation of the Trade Boards Act must accordingly be allowed, even by the most critical, to be exceedingly satisfactory. (Page 72.)

The truest guarantee of the genuineness of the benefits wrought by the Act is that, as mentioned above, its operation through the past four years has given ample justification for its extension to four additional sweated industries. (Page 73.)

In the four originally scheduled trades, viz: ready-made and wholesale bespoke tailoring, paper-box making, the finishing processes of machine-made lace, and

chain-making, the capitalists have been compelled to own that sweating is not an essential condition of their industries and that a minimum living wage is not inconsistent with a fair dividend, and the operatives have been in each instance materially assisted, the increase of wages in one case being sufficient to alter the entire tone of their existence. Thus have legislators been persuaded that the English law embodies a measure replete with promise for the mitigation of an evil which, in so far as healthy men and women are more valuable to national security than the swollen returns of booming trade has through generations worked untold havoc upon a multitude of the nation's citizens. (Page 63.)

(10) Success of the Acts.

The experience of those states and countries which have longest had minimum rates of pay fixed by law has proved successful. In Victoria the officials of the Employers' Association and the Chamber of Manufactures, which originally led the opposition to the wage-board system, no longer oppose it. Investigation in Great Britain has shown the benefits to health and efficiency accruing from the Acts, while according to the Board of Trade, profits have not been injured.

In Oregon the country wide business depression occurring immediately after the first wage rulings became effective, put the law to a severe test. Nevertheless, the Federal investigation into the effects of the minimum wages, made only five months after the first rulings, showed that the wages of women employed in Oregon retail stores increased almost ten per cent. in 1914 as compared with 1913, while the increase in cost was only 3 mills on each dollar of sales.

For Working Women in Oregon, Caroline F. Gleason, [*Former Secretary, Industrial Welfare Commission of the State of Oregon.*] *The Survey, September 9, 1916.*

In June, 1913, a law became effective in Oregon which made illegal the employment of women and minors for wages too small to keep them in health, for unreasonably long hours and under insanitary conditions of work. The Industrial Welfare Commission, composed of three persons, one representing the employers, one the employees, and one the public, was charged with the administration of the law. The commission was organized early in June and began work immediately. Six months later wage and hour determinations affecting approximately

25,000 women and minor girl wage-earners in all industries in the state had been issued. . . .

The extreme business depression existing immediately after the first wage rulings became effective put the operation of the law to a most severe test. Hardships commonly connected with business depressions, such as entire loss of employment, part time work or full time with reduced wage, for which Oregon's law was in no way responsible, were attributed to it. The facts about the Oregon situation are that only those women not protected by the law were the ones who suffered and that reduction of wages would have been much greater for those guarded if the law had not been in existence.

A most interesting phase of the discussions at the public hearings of the recent revision conferences was that employers protested only against more stringent hour legislation and not against increased wage orders. . . . The attitude of representative employers of the state toward wage legislation was given in an address before the 1915 Annual State Convention of Retail Merchants by William Woodward, a member of a firm which manufactures drugs and conducts a large mercantile establishment. Mr. Woodward said in part:

"Today I believe with all my heart, that this law, conceived in a desire to do right and carried out in firm purpose of securing to women a larger measure of social justice, is a good law, a step in the right direction, and in spite of local inconvenience to existing industries, is one to which we are today wholly committed and believe that its application should extend further." (Page 585.)

Principles of Labor Legislation. JOHN R. COMMONS *and* JOHN B. ANDREWS. *Harpers, New York, 1916.*

Effect on Industry.

From the side of employers it is frequently declared that minimum wage laws will put them under such a handicap that they will be forced to move to freer territory or be driven out of industry altogether. Neither seems to have taken place to any appreciable extent.

The officials of the Victorian Chamber of Manufactures and of the Victorian Employers' Association, the two bodies which originally led the opposition to the wage-board system, now declare that they have no wish to see the system abandoned. In 1903 and 1904 eleven of the thirty-eight special boards then in operation in that country were established upon the application of employers. Only a single instance is recorded of a plant leaving the state because of the minimum wage law. In Great Britain, also, in the industries having wage boards, the "employers have not been ruined or even injured in their profits," and the board of trade reports that it is "not aware of any tendency of manufacturers to transfer their business to foreign countries, or in cases where lower wage rates have been fixed for Ireland than for Great Britain, to transfer their business from Great Britain to Ireland." The actual cost of the necessary changes is, after all, not burdensome. In Oregon retail stores the increased labor cost was found to be only three mills on each dollar of sales. In the Massachusetts brush industry both the amount of capital invested and the value of the product increased in the year following the decree. (Pages 193-194.)

Effect on Efficiency.

A final point to consider is whether guaranteeing to every worker a legal minimum wage reduces incentive and output. The preponderance of evidence is that it does not, but that it even has the opposite effect, due in part to the employer's insistence on greater returns for increased wages, and in part to the workers' spontaneous response to the improved rate of remuneration. In fact, it may be said that the beneficial results of minimum wage legislation have been largely due to the transfer of emphasis from competition for low wages to efficiency on the part of both employer and employee.

Among the better-established results of minimum wage legislation, therefore, may be mentioned (1) that it has raised wages; (2) that minimum wage rates do not in general tend to become maximum rates; (3) that

it does not necessarily force workers out of industry; (4) that it does not unduly handicap employers; (5) that it does not undermine trade union organization; and (6) that it does not decrease efficiency. (Pages 195-196.)

Massachusetts Minimum Wage Commission. Bulletin No. 11. January, 1916. Report of the Minimum Wage Commission, 1915.

Effect of the Minimum Wage in the Brush Industry.

The wages recommended for women employed in brush factories became effective under circumstances which put the theory of the minimum wage to the severest test. In June, 1914, when the brush makers' wage board made its final report to the Commission, the brush industry was somewhat depressed, but not much more so than at any time during the last two or three years. In August, when the wages recommended by the Board were to become effective, the European war had broken out. The supply of bristles, the most important raw material of brushes, was interrupted, and the production of brushes seriously curtailed. When the supply of bristles had been restored, the general business depression injuriously affected the demand for brushes, and the period of curtailed production and consequent restricted employment was prolonged. The brush business revived in the spring of 1915, with the general revival of industry in the United States, and by June had regained its normal condition. Meanwhile, however, false and misleading reports were being circulated concerning the alleged injurious effects of the minimum wage upon the brush industry. In June, therefore, the Commission caused an investigation to be made to determine what effects had really been produced by the minimum wage.

This investigation consisted of an examination of the voluntary statements of the employers to the Massachusetts Bureau of Statistics for publication in the official Statistics of Manufactures, and of the pay rolls of the nineteen brush factories which were employing women both in 1913, when the Commission first investigated the

brush industry, and in 1915, when business conditions were again approaching the normal. The results of the investigation were published as a special bulletin.*

The results may be briefly summarized as follows: (1) the establishment of the minimum wage in the brush industry has been followed by a remarkable increase in the earnings of women employed in that industry; (2) the employment of women at ruinously low rates has been practically stopped; (3) the proportion of women employed at more than the prescribed minimum rate has more than doubled; and (4) all this has been accomplished without putting an unreasonable financial burden upon the industry.

During the last two years the total number of brush establishments in Massachusetts has increased, the total capital invested has increased, the total value of material used has increased, and the total value of product has increased. Though the industry was temporarily hard hit by the war, so were many other industries of the Commonwealth in which the minimum wage has not been established. In short, the evidence shows that the establishment of the minimum wage has been followed by the desired results, both in the industry as a whole and in every individual establishment where the management has been willing to give it a fair trial. (Pages 16-17.)

Biennial Report of the Washington Industrial Welfare Commission, 1913-1915.

Furthermore, the law has brought the employers of the state to a realization of their public responsibilities and has brought about a better adjustment with their women employees; it has tended to prevent the exploitation of helpless women and remove all possibility of the sweat-shop evil; it has diminished the parasitic character of some industries and therefore lessened the burden on other employments; it has enabled the employers in a given occupation to prevent the undercutting of wages

* Bulletin No. 7, September, 1915, The Effect of the Minimum Wage Decree on the Brush Industry in Massachusetts.

by less considerate and humane competitors; it has stimulated employers to develop the capacity and efficiency of the less competent workers until they actually are worth the minimum wage; it is therefore tending to induce employers to keep their trained workers together and to avoid, as far as possible seasonable fluctuations; it has given the public assurance that it is an effective remedy for the industrial abuses of which there previously had been considerable complaint, and in many ways is promoting the general welfare, of the state. (Pages 15-16.)

Wages Boards in Australia. Social and Economic Results of Wages Boards. M. B. HAMMOND. *Quarterly Journal of Economics, May, 1915.**

While fully admitting the tentative character of our conclusions, we may nevertheless say that the eighteen years of experience which the state of Victoria has had with wages boards offers the safest basis on which to form an opinion as to the results of this method of wage regulation. For not only has the Victorian experience been of longer duration than that of other states but it has been on a more extended scale and has persisted along the same lines from the beginning. . . . Whenever the experiences of other states and countries show the same results as appear in Victoria, we may say that they serve to strengthen our opinions of the success or failure of the Victorian legislation; but it is the Victorian experience which must afford the main reliance for such conclusions as we are now willing to formulate. (Pages 563-4.)

The final test of the success of any legislative experiment made by self-governing peoples is the degree of

* For earlier articles dealing with the facts here set forth, see by the author: Judicial Interpretation of the Minimum Wage in Australia. American Economic Review, June, 1913; The Minimum Wage in Great Britain and Australia. American Academy of Political and Social Science. Annals, Vol. 48, 1913; Wages Boards in Australia. Quarterly Journal of Economics, November, 1914.

satisfaction which these laws afford to those who are responsible for their enactment and enforcement. . . . If these boards have in the opinion of most Australians succeeded in solving the problems which they were intended to solve and have done so without perceptibly hindering industrial development or disturbing the social peace; if furthermore they have in large measure outgrown the early opposition which they encountered from employers, and have won the approval of the wage earners and the general public—I think we must say that the Australian method of regulating wages by wages boards has proved successful, in spite of the fact that it has not escaped criticism and that it has created new problems not foreseen at the time the laws were enacted.

. . . The wages board system was unquestionably adopted in the interest of wage earners, and since the establishment of additional boards comes, in the great majority of cases, as a result of the application of employees, it is clear that the wage earners are conscious of the advantages which the boards have brought to them.

The most remarkable feature in the development of the system, however, is the changed attitude of the employing classes towards the wages boards.

In the first of these papers* reference was made to the opposition which the wages board legislation met from Victorian employers in and out of Parliament during the years 1896-1903. The reports of outside investigators show that year by year this antagonism has grown less and that employers have become more and more reconciled to the wages board method of regulation. (Pages 621-22-23.)

This change in the attitude of the employing classes towards the wages boards system has continued. In 1912, among all the employers interviewed, I found none who wished to have the boards abolished. There was plenty of criticism of the work of the boards, and nearly every employer was careful to point out what he considered to be unfair in the determinations under which he happened to be working. But they were unanimous in say-

* In this Journal, November, 1914, pp. 98-148.

ing that industry had adjusted itself to the system of wage-regulation, and it would therefore be undesirable to attempt to restore the old system of unregulated competition in the hiring of laborers. That this more friendly feeling among Victorian employers towards the wages boards is due in part to the belief that if the boards were abolished a more drastic method of industrial regulations, viz., that by arbitration courts, would be adopted, there can be no doubt. In the states having compulsory arbitration employers were generally supporters of the system, although their attitude was perhaps one of toleration rather than of genuine enthusiasm. In regard to the wages boards, however, most employers were willing to go farther than merely to express a tolerant attitude. They pointed to the gains which had accrued to industry from freedom from strikes and from having all employers placed on the same footing as regards wages. The officers of the Chamber of Manufactures and of the Victorian Employers Associations—the organizations which had led the opposition to the establishment and extension of the wages boards—were willing to admit that on the whole the wages board system was working well and that the organizations which they represented had ceased to oppose the further extension of the system. (Pages 625-6.)

Fourth Report of the New York State Factory Investigating Commission. Vol. IV. Appendix VIII. 1915. Minimum Wage Legislation in Australasia. Chap. II. New Zealand.

In concluding our observations upon arbitration in New Zealand, it may be well to recapitulate some of the statements already made. Created during a time of industrial unrest with the object of securing the abolition of strikes, the arbitration law has furnished a means for peaceful collective bargaining in the former conciliation boards and the present conciliation councils. Strikes have not been abolished but have been restricted. Attacks upon the system of compulsory arbitration, while sometimes general, as that of Mr. Broadhead in his recent

book upon New Zealand's labor situation,* have more often been confined to weaknesses in the process of administration or to the scope of the act. It is true that preference to unionists, the apprentice question, and the permit system have been subjects of controversy. But what reform measure of any consequence has ever survived without criticism? If the Court has not raised wages to meet all the demands of labor, neither has it thwarted the expansion of industry. It has been the cause of generally raising wages to a small extent, and has established crudely the cost of existence as the minimum standard of remuneration. It has shortened hours and given payment for overtime. It has steadied business and helped to bring prosperity to employer and employee alike. On the other hand, it has not prevented in certain districts almost the whole value of a rise in wages being absorbed by an increase in the rents of dwellings. Slight wage increases have sometimes been made the pretext of inordinate exactions in the price of food. But the cost of living has not outstripped the reward of toil and the well being of the masses is further advanced now than it was twenty years ago. Sweating has been definitely abolished. Competition has been put upon a fairer plane. (Page 2052.)

Chapter IV. Wage Legislation in Western Australia, South Australia, Queensland, and Tasmania.

In forming a final estimate of the wages board system of South Australia, it should be remembered that the first effective determinations were made during a period of industrial expansion. Although employers first opposed the act, they later accepted the inevitable and cooperated with the officials in their work. The system has been gradually extended, until in April, 1914, fifty-six trades and 25,000 employees were under the orders of wages boards. There are now in effect fifty-four determinations, including those made by the Industrial

* H. Broadhead, State Regulation of Labour and Labour Disputes in New Zealand, 1908.

Court after boards had failed to do the work for which they were appointed. All of these determinations apply only to the Metropolitan area. Thus, the act has been definitely limited in its operation in this state.* In so far as it has been effective, however, wages have been raised, sweating has been abolished, and industry has not been adversely affected. (Page 2186.)

A New Province for Law and Order. Industrial Peace Through Minimum Wage and Arbitration. HENRY BOURNES HIGGINS, *High Court of Australia, Melbourne [President since 1907 of the Court of Conciliation and Arbitration.] The Harvard Law Review, November, 1915.*

But most of these defects, and other defects which I could point out, are not of the essense of the system and will probably be removed or obviated in the light of experience. Employers have assured me that they welcome the fixing of minimum rates by the boards or by the Court. They know now definitely what they must pay, and, so long as they pay it, they feel no more the incessant nagging of unions or employees as to wages. Nor can any impartial person deny the immense relief which the system of wages boards has afforded to thousands of the most helpless families throughout Australia. Wages boards constitute one of the most useful factors of those which tend, in the words of Russell Lowell, to "lift up the manhood of the poor" and to provide proper sustenance and upbringing for the children of the nation. (Pages 36-37.)

The Artificial Regulation of Wages in Australia. GEORGE S. BEEBY, *Author of the Industrial Arbitration Act, 1912, of New South Wales. The Economic Journal, London, September, 1915.*

The advantages derived from our system can be thus stated:

The reproach of sweated industries has been removed

* Commonwealth Bureau of Census and Statistics, Labour Bulletin, No. 5, p. 66.

from Australasia. With slight exception, women and children who work in occupations which lend themselves to oppression and misery are, compared with those in "free" countries, guaranteed decent factory conditions, reasonable hours of labour, and minimum wages. . . .

The unskilled worker, the product of modern industrial methods, is protected from over-competition for employment. Much of his improved condition is attributable to scarcity of labour, but the incentive to organization, the power to drive a collective bargain, originated with the earlier awards, which gave him a status previously unknown.

The constant open inquiry into wages and working conditions of employees has been of great educational value, and has led to more sympathetic consideration by the public of the workers' agitation for a higher standard of comfort and to a wider public interest in economic problems. No political party, for instance, now ever disputes that industrial regulation of some kind, including the fixing of minimum wages, is necessary and advisable. Parties may differ as to the extent of such regulation and the nature of the machinery for effecting it, but no serious voice is ever heard against the wisdom of interfering with freedom of contract in maintaining a reasonable standard of comfort for wage-earners.

Its effect on strikes has been beneficial in one direction and evil in another. The duration and intensity of serious disturbances have been lessened; but, by facilitating the organization of workmen in many occupations not previously unionized, industrial arbitration has largely increased the number of strikes. Workmen strike for smaller things, and often without serious provocation. But the compulsory and conciliatory machinery has generally shortened the contest and kept some check on sympathetic outbreaks. (Pages 324-325.)

The Labour Year Book, 1916. Co-operative Printing Society Ltd., London.

In the year already mentioned, viz., 1906, the Board of Trade in their memorable Census of Earnings and

Hours of Employment, collected decisive evidence of the industrial degradation of the nation, a sorry record in which the woman worker cut an especially unhappy figure. Included in the census were 32 textile and clothing trades carried on mainly by female operatives; in all of these, save five, a division of the aggregate wages paid to women of 18 years and over by the number of such women in employment showed a resultant figure of less than 15s. per head. The Lancashire textile workers apart, one-fifth of all the women whose trades are covered by the inquiry, amounting in number to hundreds of thousands, were shown to receive less than 10s. per week.

Here, surely, was a case for intervention, and after the National Anti-Sweating League had stumped the country in favour of a legal minimum wage; after a Select Committee of the House of Commons had endorsed this proposal as regards women homeworkers; and Mr. Ernest Aves, now the Chairman of the various Trade Boards, had reported upon the Australasian experiments in wage regulation without, it must be admitted, coming to any definite conclusion thereon, the Government intervened. Their measure, based upon the Wages Boards Bill of Sir Charles Dilke, which in turn was derived from the legislation of the Colony of Victoria, was blessed by everyone, and became an Act without any vote on principle having been registered against it.

It proved a better Act than one would expect from the suspicious cordiality of its reception, and has worked so smoothly that its future is already beyond doubt. (Page 214.)

The Future of Work. L. G. Chiozza Money, M. P. *Unwin, London, 1914.*

When we talked of establishing Trade Boards for sweated workers some years ago, there were many who contended that the varying customs of trades made it inherently impossible to apply legal minima to them. We had to point out then that already, by voluntary

agreement in many trades, the supposed impossibilities were surmounted. At the Conference on the Minimum Wage convened by the National Anti-Sweating League, and held at the Guildhall, London, in October, 1906, Sir George Askwith, then Mr. Askwith, pointed out how voluntary agreements of employers and employed had fixed minima in trades of considerable elaboration. He instanced the Nottingham lace trade, of which he had personal knowledge as arbitrator. I may usefully repeat what Mr. Askwith said:

"Perhaps you will forgive me for instancing a most elaborate inquiry I had to conduct in connection with the manufacture of lace. The due rate of wages in classes of work had to be found by joint request of employers and employees. The whole industry was entitled the lace weaving trade of Nottingham. It has three branches or sections—the plain net, the lace curtain, and the fancy laces. The plain net section is not so complicated as the other sections, but the curtain has eight different cards on which work is produced, and the fancy lace had twenty-one, and now has fifteen, thick thread laces, plain bobbin fining and Valenciennes, torchons, Maltese, blondes, Spanish, Chantilly, cotton loop, sprigs, and many others. There had to be taken into account the classes of lace being made, the number of points to the inch, the number of bars, and the length of the rack, and many other matters besides. The wages of each class and branch of laceworkers required separate consideration, and was discussed and fought word by word and line by line upon these numbers of cards."

As a result, Mr. Askwith concluded, "In few instances did dispute arise as to the amount of a minimum wage where such minimum was required." . . .

Further, in 1914 we are able to point to the remarkable success in the United Kingdom of the Trade Boards Act of 1909. It has succeeded in levelling up wages in a number of trades. (Pages 166-168.)

Report of Chief Inspector of Factories of Victoria. 1897.

The Breadmaking and Baking Board.

Mr. G. Hall reports:

The determination of the Bread Board, which came into operation in March, may be said to have had a fair trial, and so far as my district is concerned, I consider it to have been a success. It has been the means of raising the wages of many workers very considerably. The finding of the board is generally observed, and works smoothly. (Page 5.)

Report of Chief Inspector of Factories of Victoria, 1898.

During the past year the attempt to deal with the sweating evil by means of legislative action has been practically on its trial. To all those interested in the system of fixing a minimum wage, the year has been one of anxiety, and to the officers of this department one of anxiety, greatly increased responsibility, and extra work. . . . With a full knowledge of the significance of the statement, I say I believe the system has been successful.

I do not for a moment claim that the system is perfect, and propose almost immediately to point out defects. That it has to a large extent prevented the worst evils of free competition appears to me to be beyond a doubt. In dealing with the effects of the various determinations of the boards, figures supplied by manufacturers will be given which will, I trust, satisfy the most incredulous. (Pages 4-5.)

On the determination of the Clothing Board, Miss Cuthbertson reports:

The workers inside the factories have, generally speaking, benefited greatly by the determinations, and though possibly they have to work harder and more consistently, yet they are better paid and have steadier employment, and continually the hope is expressed by them that the act will be placed permanently upon the statute book. (Page 9.)

Report of Chief Inspector of Factories of Victoria. 1900.

Clothing Board.

Probably everyone who is interested in factory legislation will remember the bitter complaints made for several years prior to 1896 of the "sweating" existing in the clothing trade. That the complaints were well founded was admitted by everyone who inquired into the matter. The Royal Commission appointed to inquire into the matter, and of which Mr. A. L. Tucker was chairman, found that gross sweating existed in the trade.

In England and America complaints regarding sweating in this trade are still constantly made. (Page 16.)

So far as I am aware, nothing has been done to decrease the evil, either in America or in England. I venture to affirm that there is now no sweating in the clothing trade in the State of Victoria. (Page 17.)

Mr. W. H. Kingsbury reports concerning the Ballarat, Bendigo, and Geelong districts:

In the clothing trade the determination of the board is now recognized as fair, both by the employer and employee. The operatives are satisfied that the legislation in their trade has been to their benefit. The same may be said in reference to the employers. (Page 19.)

Victoria. Papers Presented to Parliament. Vol. II. 1902-3. Report of the Royal Commission Appointed to Investigate and Report on the Operation of the Factories and Shops Laws of Victoria.

The Working of the Law in Victoria.

The Clothing Board.

This is an industry in which, in the days of freedom of contract and unregistered home-work, the sweating evil was rampant. Investigations made by a board of inquiry, which sat in 1893, disclosed a condition of things which could only be paralleled in the most poverty-stricken quarters of the east end of London. It was, it is true, at the period of a great financial crisis; but time

had intensified and not created the evil. In the stress of competition, a system prevailed under which large city warehouses let the making-up of clothing to small contractors or middlemen at rates so low that there was very little, if any, profit left to the latter if fair wages were paid.

The lapse of nearly a decade with more prosperous times in the interval and the creation of a board to regulate wages in the trade, has naturally caused many changes for the better in the lot of both factory hands and out-workers. (Pages XXXVIII and XXXIX.)

To sum up the evidence in this trade, sweating in its worst form, which brought misery into so many homes, has almost disappeared, and if undercutting and the payment of unduly low wages still exist, it is chiefly in the case of a few out-workers who act in collusion with their employers. This practice, the employees consider, cannot be put a stop to until one person is made to constitute a factory, as in New Zealand. (Page XLI.)

The Shirt-Makers' Board.

In 1901 there were 134 women receiving an average wage of 20s 8d per week, a fairly high wage if it be borne in mind that this was one of the trades in which in the early part of the last decade sweating was prevalent. No complaints were received by us from either side respecting the rates or general conditions of the trade, and the factory inspectors in recent reports state that the determination continues to work well, as regards both indoor and outdoor labour. (Page XLII.)

The Underclothing Board.

In some cases, competent workers receive 20s and upwards per week. The official reports show that there is no difficulty in enforcing payment of the minimum wage, the scale, as a whole, being fair from the employers' point of view. (Page XLIII.)

The New Legislation Recommended.

We recognize that there cannot in the circumstances of the times be any return to the old conditions of free-

dom of contract in factory labour. The well-being of thousands of wage-earners, with thousands of others dependent upon them, rests on a humane, well-conceived, and properly administered law for the protection of this kind of labour. It is clearly our duty, therefore, not to destroy the good work already done in the cause of humanity and justice, but to so modify and correct the defects which experience has shown to exist that the best principles of our factory legislation may be maintained and extended although in a different form. (Page LXV.)

Report of the Department of Labor of New Zealand. 1911.

The various awards (minimum rates) have worked smoothly in this district, and during the year nothing of importance has arisen in respect to the administration of the Act.

The number of complaints from employees has been very few, and there have been no prosecutions for breaches of award during the year. (Page 57.)

Report of the Director of Labour and Chief Inspector of Factories and Shops of Queensland for the Year Ended 30th June, 1911.

Speaking generally, the introduction of the Wages Boards system seems to have brought about an improvement in the conditions in those trades to which it has been applied, and evidence that this is appreciated by the workers is shown by the number of applications which continue to be received for the granting of Boards. It is inevitable, of course, that any industrial legislation will take some little time before it will work smoothly, and Determinations of Wages Boards are no exception to the rule, but as employers and employees come to realize the protection it affords them from unfair competition in the one case and low wages in the other, they each endeavor to conform to the altered conditions. (Page 22.)

Report of the Chief Inspector of Factories of Tasmania, 1913-1914.

With regard to industrial matters in the State for the past year, a glance at the statistics available will prove that, although industry was severely handicapped by unsettled conditions, to a certain extent caused by the prevalence of smallpox on the mainland and in New Zealand, the progress made was very satisfactory. The steady increase in the influence of "The Wages Boards Act" is a subject which demands attention, and exhibits the confidence reposed in the system by both employer and employee. It is creditable to the enterprise of the State that new wages boards were formed, and new or amended determinations exhibited the tendency to prevent, as far as possible, any intrastate difficulties which might tend to lessen the prosperity of the State.

With the exception of the administration of the determination for the timber-workers, it is found that the utmost harmony has prevailed. (Page 5.)

During the past year the industrial affairs dealt with under the wages boards legislation have materially increased in importance, and it is a pleasant sign of the times to find both employers and employees are anxious to work under the terms of this legislation. This sentiment is more increased in its intensity because of the fact that "The Factories Act, 1910," and its amending Act are rapidly attracting the attention of the local authorities, who make use of its provisions in health matters in preference to making use of the frequently cumbersome powers given to them under "The Public Health Act, 1903".

As an index to the harmony existing through the administration of this industrial legislation by this Department, it is worthy to note that the inspectorial staff, who combine both the industrial and health duties, have had very seldom to institute legal proceedings during the past year. Ignorance of the reading of terms in determinations is a frequent excuse for non-observance, and it not invariably happens that both employer and employee are equally guilty. (Page 27.)

Report to the Secretary of State for the Home Department on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. Ernest Aves, *British Sessional Papers. Vol. LXXI. 1908.*

Although, however, the volume of amending legislation that was in contemplation indicated that this fluidity of opinion existed, and that experience was still actively teaching fresh lessons, these very bills, coupled with those introduced in Queensland and discussed in Tasmania, seemed to have strengthened rather than weakened the widespread determination of Australasia to adhere, at any rate for the present, to the principle of a legal minimum wage. When this principle is acted upon in the interests of those who are considered most to need protection because they are in the greatest danger of being overridden through the stress of industrial competition, I think there is an overwhelming balance of opinion in favor of legislation directed to that end. The standard of a race is felt to be at stake, and there is what amounts almost to a national determination to guard if necessary and if possible by legislation against at least the grosser forms of under-payment. Of these there has been some slight taste; but of them more is known and heard from the experience of older countries. Thus it has become part of the better conscience, alike of the Commonwealth and New Zealand, to insist on decent industrial conditions and, if necessary, to pass measures framed to avoid the repetition in a new land of at least this particular form of old-world trouble. (Pages 10-11.)

Wage Boards in England. E. F. Wise. *The American Economic Review, March, 1912.*

Finally, it may be claimed that so far as the two simpler trades are concerned the act is an assured success. The initial difficulties, which were said to be insurmountable, have been overcome in all the four trades. The test to which the act is being put in tailoring is the most severe that could have been attempted. If it succeeds in

this it can be applied with confidence to any other trade whatever in which the evil of underpayment is to be found, and there is every reason to be satisfied with the progress at present achieved. Already other trades are clamoring to be included. It would be safe to say that the measure of progress in the two short years that have elapsed has exceeded the hopes of the warmest supporters of the act, and there is every indication that at last a weapon has been forged that will greatly diminish if it does not destroy one of the worst evils of our industrial system. (Pages 19-20.)

The Working of the Trade Boards Act in Great Britain. Constance Smith. *Report of the Seventh General Meeting of the Committee of the International Association for Labor Legislation, Zurich, September, 1912. P. S. King & Co., London, 1912.*

What conclusions may we venture to draw from the facts just summarized? This much certainly: that even in trades of a complicated nature the fixing of a minimum rate presents no insuperable difficulties, and that by the practical acknowledgment of representative employers a margin exists in the four scheduled trades, which makes leveling up of wages to the standard of the better-paying employers possible. So much for the legislative side. As regards administration, the experiment has not been carried far enough to afford adequate data for the formation of a final judgment. . . . We can, even at this comparatively early date, claim for the experiment such success as entitles us to press very earnestly for the bringing of other sweated industries or branches of industry within the beneficent scope of the Trades Boards Act. A number of such industries anxiously await their inclusions in the schedule. Where claims are so many and so strong, it is difficult to decide which should have right of priority. But among those which may perhaps be taken to exhibit at once the greatest need and the greatest aptitude for the application of this special remedy are the remaining clothing trades

. . . such industries as hollow-ware and brick-making, which, if not so completely localized as the making of chain, yet occupy a definite and somewhat narrow belt —stretching from the Midlands westward; and the warehouse trades—the jam-making and biscuit-making and chocolate-making and tea-packing which employ so vast an army of women at rates on which "living" in any decent sense is out of the question. (Pages 153-154.)

The Economic Theory of a Legal Minimum Wage. SIDNEY WEBB. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

The fixing of a minimum wage by law—making it a penal offense to hire labor at a lower rate than that fixed by law—is now an accomplished fact, of which the world has had half a generation of experience. In this matter of the legal minimum wage the sixteen years' actual trial by Victoria is full of instruction. Victoria, which is a highly developed industrial State, of great and growing prosperity, had long had factory laws, much after the English fashion. In 1896, largely out of humanitarian feeling for five specially "sweated" trades, provision was made for the enforcement in those trades of a legal minimum wage. . . .

Naturally, too, all sorts of criticism have since been leveled at the administration and working of the law; and over and over again eager opponents, both in England and on the spot, have hastened to report that it had broken down. But what had been the result? In the five sweated trades to which the law was first applied sixteen years ago, wages have gone up from 12 to 35 per cent., the hours of labor have invariably been reduced, and the actual number of persons employed, far from falling, has in all cases, relatively to the total population, greatly increased. Thus the legal minimum wage does not necessarily spell ruin, either for the employers or for the operatives. (Page 3.)

. . . There will still be people up and down the country who will go on saying that it is "impossible"—while it is in actual operation, not only in Australia and

New Zealand and the United Kingdom, but under their own eyes. As a matter of fact, the authoritative settlement of a minimum wage is already undertaken daily. Every municipal authority throughout the country has to decide, under the criticism of public opinion, what wage it will pay to its lowest grade of laborers. It can hire them at any price, even at 25 cents a day; but it must be rare that any such genuinely "competitive" wage is paid. What happens in practice is that the officer in charge fixes such a wage as he believes he can permanently get good enough work for. In the same way, the National Government of the United Kingdom, which is by far the largest employer of labor in the country, does not take the cheapest laborers it can get, at the lowest price at which they will offer themselves, but deliberately settles its own minimum wage for each department. (Page 22.)

Thus, the Admiralty is now constantly taking evidence, either through the Labor Department or through its own officials, as to the cost of living in different localities, so as to adjust its laborers' wages to the expense of their subsistence. The General Post Office has just been doing the same thing on a very elaborate scale. And in our English local governing bodies, which employ, in the aggregate, more operatives than almost any single industry, we see the committees, under the pressure of public opinion, every day substituting a deliberately settled minimum for the haphazard decisions of the officials of the several departments. What is not so generally recognized is that exactly the same change is taking place in private enterprise. The great captains of industry, interested in the permanent efficiency of their establishments, have long adopted the practice of deliberately fixing the minimum wage to be paid to the lowest class of unskilled laborers, according to their own view of what the laborers can live on, instead of letting out their work to subcontractors, whose only object is to exact the utmost exertion for the lowest price. A railroad never dreams of putting its situations up to tender, and engaging the man who offers to come at the lowest wage; what happens is that the rate of pay of trainmen and roadmen is deliberately fixed in advance. (Pages 22-23.)

Sixth Annual Report, National Anti-Sweating League, 1912. Manchester, 1913.

Chain Making.

In the Cradley Heath District the experience gained since last year justifies the sanguine view taken in the Report of 1911. There have been some attempts to evade the Trade Board rates, but since a middleman who had committed three offenses under the Act was fined penalties amounting in all to £34 the local taste for evasion has been carefully controlled. . . .

In short, the success of the experiment at Cradley Heath is now assured. The workers are getting rates that, in the cheapest qualities of chain, give them increases of from 50 per cent. to 100 per cent., and what is significant is that they are now applying for, and are likely to get, an enhancement of the rate.

Indeed the effect of the Trade Board upon these neighboring trades is one of the most striking features of the experiment; i. e., "hollow-ware" and brick workers. . . . There is, indeed, no element lacking in the triumph at Cradley Heath. The women seem different beings from the inert and sunken people who attended meetings in pre-Board times, and the proprietors of shops in the district tell how their sales have expanded under the genial influences of the new conditions, imperfect though they may be admitted to be. (Pages 4-5.)

Paper Box Trade.

The rate of 3d an hour fixed for this trade did not become obligatory until three weeks ago, and it is too soon to pronounce upon the degree in which it is being loyally accepted by the manufacturers. All the indications point to such acceptance. After initial hostility the Employers' Federation has decided to assist actively in the enforcement of the minimum rate and of the other Trade Board conditions, and their representatives are at present working amicably with those of the workers to secure satisfactory administration.

It is interesting to note that many of the employers

admit that the result of the Trade Board award has been already to call their attention to many instances of waste and leakage in their establishments. While the rate was in partial operation cardboard factories have been carefully overhauled, and a new tidiness and efficiency have entered into them. (Page 7.)

Summing up it may be said that all the minimum rates of wages so far fixed are substantially better than the preceding rates and that in one of the trades, chain making, enforcement of them has been attended with complete success. In the other similar trade at Nottingham a like result is to be expected in the near future, when administration is stricter and the industry more prosperous. In the larger trades, having regard to the nature of the work, the minimum rates are less satisfactory than might have been expected, though to the increases in mere wages must be added the removal from the workers of the payment for sundries necessary to their occupation, as paste and glue in the case of the tailoress. Further, the limitation of the employment of young people in the scheduled trades and their greater protection from exploitation, the impetus given by the Boards to organization and the greater care of the worker on which the new condition insists are of considerable value in themselves and in their reaction upon the prosperity of the trades. All this taken together seems justification enough of the Trade Boards Act, and makes an irresistible case for the extension of the Act which during next year the League will vigorously demand. (Pages 10-11.)

British Sessional Papers. Vol. XIV. 1913. Special Report from the Select Committee on the Trade Boards Act Provisional Orders Bill. Minutes of Evidence.

Mr. G. Stapylton Barnes, Secretary to the Board of Trade:

40.—. . . I have just said that the rate of 2½d. an hour was fixed in the chain trade for women, and that the rate fixed in the chain trade for men was 5d. to 7d. per hour. In the lace trade a rate of 2¾d. was fixed, in

the box trade a rate of 3d., and in the tailoring trade a rate of 3¼d.

41.—When those rates were fixed, did you find that they were accepted by masters and men alike?—I think that we may say that each one of these rates was accepted by the Trade Board. You mean accepted by the trade outside?

42.—Yes—I have no reason to think the contrary.

43.—No complaint has been made to you that any free agents, as each man and master would be, declined to accept the decision?—Yes, we have prosecuted people for not paying the rates.

44.—But did you shut them up? Was the effect that they did not go on with the business or that the men refused to go on?—No; there has been no shutting up of the business, but certain employers who did not pay the rates have been fined.

45.—No employer has gone out of the trade as far as you are concerned?—Not that I know of.

46.—And on the other hand no body of men has declined to work?—No. I think you may take it that as a whole the working of the Trade Board Act has been successful beyond what anybody imagined possible. (Page 7.)

The Trades Board Act at Work. S. C. Moore. *The Economic Journal, London, September, 1913.*

It is somewhat early to write about the result of the Trades Board Act, but in view of the proposals to bring other trades within its scope immediately the earliest effects are worth noticing. For this reason I think that some facts collected by the Hebden Bridge branch of the Amalgamated Union of Clothing Operatives are of great interest. Hebden Bridge is a small town in the West Riding of Yorkshire, and is the chief center of the fustian trade in this country. As a considerable amount of fustian is made up into clothing in the factories of the district, and this branch of trade comes under the Trades Board, it offers a favorable opportunity for observing the working of the Act. The trade is confined within a

small area and to quite a limited number of firms, all engaged on the same class of work, the number employed being about 3,000, nearly 400 of whom are men or youths. (Page 442.)

I think it is quite clear that the Trades Board Act has done three things for the clothing trade of Hebden Bridge:

1—It has lessened the hours of labor for everybody in the trade.

2—It has raised the wages of men, but has not affected women's wages.

3—It has helped to create a new spirit among the men.

There had been suggestions for shortening hours previously, but nothing had come of them, but before the Act actually came into force the employers decided to reduce the hours to 52, without any alteration in wages. This reduction of hours applied to all work people, so that if a man has not received an actual increase in wages, he has received what is equivalent to a higher rate per hour; therefore, the Act has been a direct benefit to every man and youth in the trade. The women and girls are all employed on piecework, but as their rate of pay yields a very much higher wage than the minimum of 3¼d. per hour, the Act has not affected them directly in any way. It might have been expected that the reduction of hours would have lowered the wages of women, but that does not appear to have been the case. There is a general opinion that quite as much work has been done in the 52-hour week as in the 58. This would be difficult to prove, because comparisons made with the first half of 1912 are not of much value, owing to the disturbance caused by the coal strike. I have before me the report and balance sheet of the Fustian Co-operative Society for the half-year ending June, 1913, and the increase of trade done in their factory over any previous half-year bears out the general opinion. (Page 443.)

The figures given above represent about 70 per cent. of the clothing trade in the district, and may be taken as typical of the whole. Apart from the general state

of prosperity in which it shares, and the high price of cotton goods, there is nothing abnormal in the industry at the present time. There seems to have been no disturbance of prices, and the changes have come almost without being noticed except by the persons concerned. (Page 447.)

Extending the Trade Boards Act. J. J. MALLON (*Member of all the Trade Boards so far established*). *National Anti-Sweating League, London, 1914.*

. . . About the substantial success of the Boards in their first application there is no longer any question. Everywhere they have succeeded in considerably raising the lowest levels of wages, in forwarding organization among both employers and workers, and in diverse and subtle ways releasing and stimulating forces that make for the efficient and humane development of their trades. The case for an extension of the Trade Boards Act was therefore irresistible, and the Board of Trade did not contest it. Asked by the Great Demonstration held by the National Anti-Sweating League in Queen's Hall, in March last, to extend the Act to six specified trades, they agreed to extend it to five, ladies' tailoring being for the moment omitted because of the difficulty in disentangling it from the numerous other clothing trades that surround it. Of the five trades that remain, one because of a technical defect in the Provisional Order extending the Trade Boards Act to it, was struck out by a select Committee of the House of Commons, leaving only four. The extension remains impressive and courageous. Each of the new trades is complex in organization, and all, save one, are widely dispersed. The new Boards, for these reasons, will not be brought easily into being and their early operations will demand care and watchfulness. Moreover, in two of the trades separate Boards in accordance with Section 2 (1) of the Act will have to be constituted for Ireland. Thus the immediate creation of six additional Boards is undertaken; enough to show that the Board of Trade is developing the Act with all reasonable expedition and displaying gratifying determination and goodwill. (Pages 1-2.)

IV. COMPARISON WITH OTHER LABOR LEGISLATION.

Legislation providing for the establishment of a legal minimum wage for women has been regarded by experts as based on the same considerations as other labor legislation and aimed at abuses similar to those which other labor laws have sought to remedy.

Fourth Report of the New York State Factory Investigating Commission, 1915, Vol. I. Report of Commission.

The arguments in support of wage legislation may be summarized as follows:

In answering the charge that it is a limitation on the right of contract, we quote: "The courts have uniformly held that under the constitution there is no power to compel any one to work. There is not only no contract that can do it, but no law can do it. I can see no difference whatever between infringing the liberty of contract with respect to the hours of labor, and infringing liberty of contract with respect to a minimum wage."

If it is desirable in the interest of the State to protect its citizens from exploitation, there is the same justification to prohibit employers from paying excessively low wages as for other modern restriction such as the prevention of the employment of women for more than a specified number of hours per day or at night, or in unsanitary workshops. (Page 46.)

Ibid. Vol. I. Appendix III. Minimum Wage Symposium.

Statement of Rev. John A. Ryan, Professor of Economics, St. Paul Seminary; Author of "The Living Wage".

Those who are at a loss for genuine argument—and occasionally a few other misguided persons—tell us that the minimum wage is Socialistic. Apparently their thought is that any new and pronounced extension of state authority to industry must be thus characterized.

If this assumption were true it would be equally decisive against the parcels post, government savings banks, workmen's compensation laws, child labor restrictions, and all other forms of labor legislation. All these do things which the State would do under Socialism. Whether a given industrial statute is Socialistic or not may be considered as a question of principle or as a question of practical tendency. Judged by the former standard, the minimum wage is clearly not Socialistic; for it merely regulates, restricts, conditions the wage contract in private employments, whereas under Socialism private employments would be not regulated but abolished. . . .

The State has not only a right, but a duty of enacting such legislation. It is bound to protect the natural rights of the individual. In the case of the wage-earner, the claim to a decent living wage is, as Pope Leo XIII declared, a natural right.

When, therefore, the State cannot guard this right by any other means than a minimum wage law, its obligation to pass such a law is clear and urgent—quite as clear and urgent as its duty of protecting the individual's life, limb or property. None of these latter goods are essentially more important to the wage-earner than his livelihood, and his livelihood depends upon his wages.

If the State is unable or unwilling to protect this, it is to that extent a failure. (Page 637.)

Statement of Harry Allen Overstreet, Professor of Philosophy, College of the City of New York.

Minimum wage legislation differs nowise in principle from the various types of legislation—factory acts, acts governing the maximum hours of labor, acts regarding women and child labor—that have in recent years become broadly recognized as economically, socially and morally justifiable. In all these cases the principle involved is the right, nay the obligation of society to set a civilization-standard below which economic processes must not fall. When this type of legislation was first broached early in the nineteenth century, the panic cry was raised

that economic enterprises could not stand the strain; that if they were required to furnish well ventilated factories, guarded machinery, shorter hours for workers, etc., they would be compelled to go out of business. In most cases the whole matter ended with the cry. In many instances, dividends actually grew larger with the growing efficiency of labor and the increased effectiveness of business organization. In the few cases however where enterprises did go under by reason of the added requirements, it was easily recognized that their elimination was for the public good.

There is no more reason to believe that economic enterprises left to themselves will set a wage standard that is adequate than that they will set a sanitary or a leisure standard. If regulation in the latter respect is deemed (as it now is) absolutely essential, regulation in the former respect is equally necessary. (Pages 728-729.)

The Underlying Principles of Modern Legislation. W. Jethro Brown, *Professor of Law in the University of Adelaide, South Australia. 3rd Edition, London, Murray, 1914.*

Such laws (Factory Laws), so far from abolishing competition, had rather the effect of making competition more real. They rescued whole classes of the community from a condition of degradation in which competition had been free in name only. (Page 201.)

The attempts of legislatures to secure a minimum wage afford a striking illustration of the policy of moralising competition. While these attempts have been too recent to admit of a final pronouncement in favor of any one of the various schemes actually tried, none of the schemes with which I am acquainted can be regarded as involving a startling innovation. They are simply an extension to wages of a principle on which the factory legislation of the nineteenth century was based. Both the old factory legislation and the new are expressions of the will of the State to exercise a control over industry with respect to the conditions of labour.

While the old legislation was concerned with the hours of labour and the sanitation of the factories, and the new legislation is more especially concerned with the rate of wage, it must not be forgotten that "prolonged hours of labour are in fact but a form of diminished wages". The ends served by the old legislation and the new are the same—the protection of the workers, the care of womanhood and weakness, and the nurture of the childhood of the race. In both the old legislation and the new, these ends are affected by the same means—the elevation of the plane of competition among employers. In the absence of State control, the capitalist who underpays his workmen is able to undersell his rival. In other words, the rate of wage is ultimately fixed, not by the fairminded employer, but by the unscrupulous employer. There is another respect in which we may trace an identity between the old factory legislation and the new. Both originate in the proved inadequacy of any means, short of legislative action, to moralise the conditions of competition in the labour market. (Pages 202-203.)

The Recent History of the Living Wage Movement. Henry W. Macrosty. *Political Science Quarterly, September, 1898.*

In a long series of public health acts and factory acts rules were established, coextensive with industry, for the regulation of the conditions under which labor should be carried on. Each successive Act of Parliament carried the interference of the state into more minute details of industry. . . .

The natural result has been the application of the same doctrine to wages, and the emergence of the vague idea of the "living wage". (Page 414.)

Report of Massachusetts Commission on Minimum Wage Boards, 1912. House Document No. 1697.

To say that a woman shall not contract to work for less than a decent living wage is to go no further than

to say that she shall not contract to work more than eight or ten hours, or under certain other unwholesome conditions which may affect her as the potential mother of future citizens. Indeed, it is much easier to trace a social connection between working for wages inadequate to maintain a decent standard of living, and working more than eight or even ten hours a day. (Page 23.)

The New Democracy. WALTER E. WEYL. *Macmillan, New York, 1912.*

It is economically as possible to regulate wages as to regulate hours or sanitary conditions. It is as easy to forbid the manufacturers to pay less than a definite scale of wages as it is to forbid the manufacture of counterfeit coins or the distilling of untaxed whiskey. All that is required is a changed point of view in ourselves and our judges. (Pages 293-294, footnote.)

We must regulate factory conditions for men, women and children and we must so change our legal traditions as to permit the state to establish, not only maximum hours of labor, but also, in the worst paid trades, minimum wages. (Page 326.)

The Legal Minimum Wage in the United States. ARTHUR N. HOLCOMBE. *American Economic Review, March, 1912.*

The attempts to standardize some of the items of the labor contract and to set certain definite conditions upon which the community will welcome or tolerate the existence of industries within its borders, otherwise free to make their own terms as between buyers and sellers of the commodities they use or produce and the labor they employ, began a little over a century ago in England when the first factory act (the health and morals of apprentices act, 1802) was put on the statute book. Since that time a vast network of factory legislation has been evolved. Its success in the establishment of standards is not questioned, though great difficulties have been encountered in their administration and uniformly efficient enforcement.

Yet no modern state would think of abandoning labor legislation. The minimum wage proposal must be regarded as a further attempt to enlarge the scope of labor legislation. It means simply the extension to the wage item of the labor contract of the common rules designed to protect a public interest as well as to maintain a fairer equality between the parties to the labor contract. (Pages 45-46.)

The Proposed Pennsylvania Minimum Wage Act. WILLIAM DRAPER LEWIS. *American Academy of Political and Social Science. Annals. Vol. 48, July, 1913.*

The three main factors affecting employment are the sanitary and other physical conditions under which the work is performed, the hours of labor, and the rate of wages. Under-payment is just as surely a cause of physical deterioration and disease as over-work or unsanitary conditions.

Our courts have determined that an act which regulates in a reasonable manner sanitary conditions, or an act which places a reasonable maximum on the hours of employment is constitutional even though such acts do limit the theoretic freedom of contract between employer and employee. The constitutionality of a minimum wage act rests on exactly the same reason which to-day supports reasonable regulations of the hours of labor and the physical conditions under which the labor may be performed. (Page 38.)

The Minimum Wage as a Legislative Proposal in the United States. SAMUEL MCCUNE LINDSAY. *American Academy of Political and Social Science. Annals. Vol. 48, July, 1913.*

The economists have at least made out a presumptive case for the desirability of a minimum standard below which wages should not be allowed to fall in the low-paid industries. The suggestion is not that wages should be fixed by law or that the principle of competition in the

fixing of wages should be entirely abandoned. It is rather that further limits should be placed on competition with respect to the labor contract beyond those that now obtain in the laws of most states concerning the hours of labor, the age limits at which children may work in various occupations, etc. (Page 45.)

Some Aspects of the Minimum Wage. H. A. Millis. *Journal of Political Economy, February, 1914.*

Yet, in the last analysis, the minimum-wage movement is but one evidence of a quickened public conscience which is begetting progressive legislation along diverse lines. New standards are being set for corporate business, for promoters' activities, for the use of natural resources, as well as for working conditions in mine, factory, and store. Though labor legislation has lagged behind our working ideals, two decades have witnessed the enactment of far-reaching measures for the conservation of childhood in almost every state of industrial consequence. Though only a few states have established the eight-hour day with rigid regulations designed to conserve the interests of women and youths gainfully employed, almost three-fourths of the state legislatures have legislated less radically upon this subject and thus set standards of some kind. A few years have witnessed a remarkable substitution of compensation or insurance for the method of suit for damages under the law of employers' liability for injuries sustained in the course of duty. More than a beginning has been made in the sanitation of workshops, and at least a beginning has been made in the prevention of industrial accidents and occupational disease. All of these branches of labor legislation have as their object the conservation of human life, health, and efficiency, and the safeguarding of a modicum of opportunity. And now the regulation of wages is advanced as the next logical step in this programme of human conservation. It is urged as the keystone of the arch in labor legislation. (Pages 132-133.)

Sweating. EDWARD CADBURY *and* GEORGE SHANN. *Headley Bros., London, 1907.*

At the present time it is not necessary to justify the right of the State to interfere with the individual so long as such interference is for the good of the community as a whole, and the long story of factory legislation dealing with hours, sanitation, dangerous trades, etc., has justified itself by its results. (Page 112.)

. . . It is to be noted that the proposal to regulate wages is a logical extension of the principle justified by a century of experience, of regulating hours, sanitary and other conditions of work. State legislation in regard to these matters increased in the first instance the cost of production, but the principle on which such regulation proceeds is that no trade has a right to persist at the expense of the health and strength of the employees. The result of this legislation is that the unscrupulous employer cannot compete unfairly by providing insanitary conditions of work or by employing his work people long hours. Thus competition must work on other lines and induces more efficient management and the invention of improved machinery. The increased outlay is also compensated for by the increased efficiency of the workers.

The same line of argument justifies the regulation of wages. (Pages 121-122.)

Thus there is no logical distinction between fixing by legislation a standard of hours and sanitation and fixing a standard wage. A trade that does not pay a wage that allows for the maintenance of the health and strength of the workers is detrimental to the welfare of the public. (Page 122.)

West Ham. EDWARD G. HAWARTH, M. A., *and* MONA WILSON. *J. M. Dent & Co., London, 1907.*

One employer whose attitude was not, on the whole, unsympathetic to the inquiry, although he failed to produce returns, asserted that his wages were quite disgraceful, and that he could not understand why he and other

employers in his trade were allowed to pay their work people what they chose since ventilation and other conditions of their employment were regulated by the Factory and Workshop Act. (Page 155.)

British Sessional Papers. Vol. VI. 1907. Report from the Select Committee on Home Work. Minutes of Evidence.

G. R. Askwith (Barrister, Arbitrator in Trade Disputes):

Parliament stepped in in the Factory Acts to stop the exploiting of the individual by unlimited competition in the production of articles, and that is exactly what the idea of these bills is with regard to people who have not been able to organize themselves, and, in certain industries, to continue the policy of the Factory Acts. (Page 210.)

British Sessional Papers. Vol. VIII. 1908. Report from the Select Committee on Home Work.

Upon the question of the general policy of Parliament fixing or providing for the fixing of a minimum rate of payment for work, below which it should be illegal to employ people, your Committee are of the opinion that it is quite as legitimate to establish by legislation a minimum standard of remuneration as it is to establish such a standard of sanitation, cleanliness, ventilation, air space, and hours of work. If it be said that there may be industries which cannot be carried on if such a standard of payment be enforced, it may be replied that this was said when the enactment of many of the provisions of the Factory and other similar Acts were proposed, and public opinion supported Parliament in deciding that, if the prognostication were an accurate one, it would be better that any trade which could not exist if such a minimum of decent and humane conditions were insisted upon should cease. Parliament, with the full approval of the nation, has practically so decided again and again, when enactments have been passed forbidding the carrying on of specified industries, unless certain minimum condi-

tions as to health, safety and comfort are complied with. (Page XIV.)

Ibid. Vol. LXXI. 1908. Report to the Secretary of State for the Home Department on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand. ERNEST AVES.

The Special Board system of Victoria is an extension of the factory legislation of that State, and the legal sanction for the establishment of these Boards is still found in the same Act that regulates conditions as regards health and safety. Thus, alike in enactment and in administration, the Special Boards form part of the general system of factory regulation. (Page 11.)

Hansard's Parliamentary Debates. House of Lords. Vol. 2. 1909.

The Lord Bishop of Southwark:

It is pathetic to observe what an immense amount of fact, involving human suffering and distress, has to accumulate before we at length arrive at the happy day when the evil can be dealt with and relief given. But in this case that day has certainly arrived, and I think one may say that it is, in fact, overdue. (Page 987.)

We cannot approach a matter of this kind without remembering that we are taking a step in advance, and though one of the defenders of the measure in another place used rather strong language about the revolutionary character of the Bill, I cannot help feeling that the Bill only does in a new way what has been done in past times in a number of Statutes, which were met by the same argument—that it would crush trades out of existence. The argument that it is better to give people bad food than no food, and arguments of that kind, no doubt have their weight, but they are not new arguments. *Hansard* would supply a good many instances of their use in past times.

The former steps that have been taken in legislation have had the effect of lifting us as a community a step in civilization. There can be no doubt that if we look at the general state of the population compared with what it was before the Statutes dealing with truck, with women's labour, and similar subjects were passed, it will be seen that we have gone up a step in civilization, but there remains in a large part of the industrial world a social condition which is barbarous in its effect upon those employed. (Pages 988-989.)

Hansard's Parliamentary Debates. House of Lords. Vol. 2. 1909.

Lord Ampthill:

There is absolutely nothing that is revolutionary about this (Trade Boards) Bill. There is nothing that is inconsistent with the principles which have underlain all our social reform and the factory legislation of the last fifty or sixty years. . . . I hold that the very first of the long series of Acts for social reform, the Truck Act, was an Act which interfered to regulate wages, and in the latest of the series—the Eight Hours Act—there is no question whatever that the action of Parliament has interfered between the employer and the workman in the matter of payment. Then, again, there has been interference in regard to the remuneration of labour in the administrative acts of Government Departments themselves, a fact which is, of course, familiar to everybody. (Page 1001.)

Hansard's Parliamentary Debates. N. S. Vol. 4. 1909.

Mr. H. J. Tennant, Parliamentary Secretary of the Board of Trade:

. . . We know that new principles have been carried out in the law of this country in regard to work and wages. The provisions as to particulars and truck are evaded to a great extent and to an injurious degree, but I am sure that Hon. Members below the Gangway will

bear me out when I say that enormous good has resulted from those enactments, and are we going to deny the indubitable benefits of this legislation simply because we are afraid that for some of those who are most in need of it our intentions may be frustrated? I cannot help thinking that that is not good argument. (Page 349.)

I think I have shown that the evil with which we are attempting to deal is a real evil, that it is of old standing, and that it clamours for remedy. I have also shown that our remedy has the same inspiration and the same objective as was possessed by the old reformers, and proceeds upon lines parallel with those which have led the State to interfere with the control of the hours of labour, and the conditions of safety and sanitation. Our remedy only gives statutory sanction to principles and methods adopted in numberless cases by voluntary agreement, which have been attended with the greatest possible success. (Page 350.)

National Conference on the Prevention of Destitution. The Work of the Trade Boards. J. J. MALLON. *P. S. King & Son, London, 1912.*

The successful results of a legal minimum wage have been demonstrated by half a generation of actual experience. That the legal enactment of common rules for an industry as a whole, far from lessening production, would, as compared with each employer managing his business as he thought best, actually be an economic advantage to the industry, has been the teaching of Political Economy for the whole of this century.

We have in fact, for a whole century been prescribing by law the minimum condition of the wage contract with regard to one item after another and thus regulating, in the public interest, by a hundred successive statutes, the condition under which industry shall be carried on.

And the scope of the legislation has steadily broadened. For a long time our factory acts confined themselves in the main to the enactment of a legal minimum of sanitation and safety in the workshop and the mine, insisting, for instance, that whether or not profits were

being realized, employers should provide healthy work places properly warmed and ventilated, free from noxious effluvia, sufficiently protected against accidents, and adequately equipped with sanitary conveniences. From that our code went on to prescribe, for boys and girls, a Legal Minimum of Education, requiring parents and employers to forego the help in industry of children below a certain age, insisting that such children should be in attendance at school, and now gradually enlarging the sphere of the Local Education Authority so as to ensure that no child remains below the prescribed National Minimum of Nurture in any respect whatever. Meanwhile our labor code was laying down also a Legal Minimum of Leisure and Rest by prescribing a maximum working day, insisting upon proper intervals for mealtimes and holidays, limiting overtime, etc.

All these successive interferences with the employer's "right" to "manage his business in his own way" were resisted on the ground that they involved additional expense, increased the cost of production, just as much as if the rate of wages had been arbitrarily raised, and that they thereby made it impossible for the most hardly pressed business to be carried on. That they amounted virtually to a confiscation of property was repeatedly asserted. It was, as an eminent Conservative Minister declared in the House of Commons: "Jack Cade Legislature", which robbed the capitalist of some of his income for the assumed benefit of his work people. It was accordingly nothing more in the way of Jack Cade Legislature than that to which we had long grown accustomed, when the Legislature of Victoria, in 1896, added to the various minima already required by its Factory Code, a Legal Minimum Wage. (Pages 394-396.)

The Economic Theory of a Legal Minimum Wage. Sidney Webb. *The Journal of Political Economy, University of Chicago Press, December, 1912.*

Just as it is against public policy to allow an employer to engage a woman to work excessive hours or under insanitary conditions, so it is equally against public policy

to permit him to engage her for wages insufficient to provide the food and shelter without which she cannot continue in health. Once we begin to prescribe the minimum conditions under which an employer should be permitted to open a factory, there is no logical distinction to be drawn between the several clauses of the wage contract. . . . To the economist and the statesman, concerned with the permanent efficiency of industry and the maintenance of national health, adequate food is at least as important as reasonable hours or good drainage. To be completely effectual the same policy will, therefore, have to be applied to wages. Thus, to the economist, the enforcement of a Legal Minimum Wage appears but as the latest of the long series of Common Rules, which experience has proved to be (*a*) necessary to prevent national degradation; and (*b*) positively advantageous to industrial efficiency. (Page 17.)

Indeed, the fixing of a minimum wage on physiological grounds is a less complicated matter, and one demanding less technological knowledge, than the fixing of a minimum of sanitation, which is done in every factory law; and it interferes far less with the day-by-day management of industry or its productivity, than any fixing of the minimum hours of labor, whether of men or women, to which, wherever excessive hours prevail, the European economist is now converted. (Page 23.)

The Practical Case for a Legal Minimum Wage. E. C. K. Ensor. *Nineteenth Century, August, 1912.*

It is difficult as had been said, upon any ground of pure logic to explain why under-payment did not become an orthodox subject for labor legislation just as much as over-long hours, inadequate sanitation or dangerous machinery. Whether you put State interference on the ground of humanitarian sentiment, or on the more scientific ground of conserving the nation's capital resources makes no difference. It is just as cruel to underpay people as to overwork them and just as wasteful from a national standpoint. (Page 267.)

Der Mindestlohn. (*The Minimum Wage.*) D. PESL, *Member of the Bar of the Supreme Court. Duncker & Humblot, Munich, 1914.*

In Germany, too, we must come to the legal regulation of wages. Indeed it is almost astonishing that Germany, which has always been and still is ahead of all other countries in the field of social legislation, should still remain behind just at the point where such legislation as sickness, accident and invalidity insurance can be made fully effective—that is, in the matter of legal wage-regulation. However beneficial the insurance of workers incapacitated by sickness, accident, age or weakness has been, it is still regrettable that besides these there are hundreds of thousands of workers who, in spite of the greatest industry, must suffer want and privation because their income is too small for the maintenance of a better standard of living. Minimum wage legislation, as we have seen, has been adopted already in a number of countries, even in "free" America, and if we have hitherto had no such legislation in Germany, this is not to say that we can do without it. On the contrary, we need it no less than the other countries, and presumably it will not now be long before we shall also guarantee by law a fair income to the worker. In one case already the demand for the introduction of a legal minimum wage has been made, namely, in connection with the discussion of the home-work law. Although at that time, unfortunately, the law with reference to wage-regulation was not adopted, it is unavoidable that sooner or later the idea of the legal regulation of the minimum wage will again be taken up and realized. (Pages 368-369.)

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